DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1983

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

S. 2248

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1983 FOR PROCUREMENT, FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AND FOR OPERATION AND MAINTENANCE FOR THE ARMED FORCES, TO PRESCRIBE PERSONNEL STRENGTHS FOR THE ARMED FORCES AND FOR CIVILIAN PERSONNEL OF THE DEPARTMENT OF DEFENSE, AND FOR OTHER PURPOSES

PART 3
MANPOWER AND PERSONNEL

FEBRUARY 26; MARCH 2, 4, 11, 18, 24, 1982

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CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

LAND, AIR, AND NAVAL FORCE STRUCTURE PLANS

FEBRUARY 26, 1982

Page

Ikle, Hon. Fred C., Under Secretary of Defense for Policy, accompanied by Lt. Gen. R. D. Tice, USA, Deputy Assistant Secretary of Defense (Military Personnel and Force Management); Lt. Gen. William R. Richardson, USA, Deputy Chief of Staff for Operations and Plans; Vice Adm. Carlisle A. H. Trost, USN, Director, Navy Program Planning, Lt. Gen. J. H. Miller, USMC, Deputy Chief of Staff for Plans, Policy and Operations; and Lt. Gen. Jerome F. O'Malley, USAF, Deputy Chief of Staff for Plans and Operations 1404

DEPARTMENT OF DEFENSE MANPOWER REQUEST

MARCH 2, 1982

Hollings, Hon. Ernest F., a U.S. Senator from the State of South Carolina 1482

Tice, Lt. Gen. R. D., USA, Deputy Assistant Secretary of Defense (Military Personnel and Force Management), accompanied by Paul Donovan, Principal Director, Program Integration, Office of the Assistant Secretary of Defense (M.R.A. & L.) 1494

NAVY/MARINE CORPS MANPOWER REQUEST (ACTIVE, RESERVE, AND CIVILIAN)

MARCH 4, 1982

Herrington, Hon. John, Assistant Secretary of the Navy (Manpower and Reserve Affairs) 1608

Zech, Vice Adm. Lando W., Jr., USN, Deputy Chief of Naval Operations (Manpower, Personnel, and Training) 1619

Bronars, Lt. Gen. Edward J., USMC, Deputy Chief of Staff for Manpower 1642

Palmer, Rear Adm. Frederick F., USN, Director of Naval Reserve 1655

ARMY MANPOWER REQUEST (ACTIVE RESERVE, AND CIVILIAN)

MARCH 11, 1982

Walters, Hon. Harry N., Assistant Secretary of the Army for Manpower and Reserve Affairs 1716

Thurman, Lt. Gen. Maxwell R., Deputy Chief of Staff for Personnel, U.S. Army 1743

Walker, Maj. Gen. Emmett H., Jr., Director, Army National Guard, Department of the Army 1771

Berkman, Maj. Gen. William R., Chief, Army Reserve 1780

AIR FORCE MANPOWER REQUEST

March 18, 1982

Page
McCoy, Hon. Tidal W., Assistant Secretary of the Air Force (Manpower, Reserve Affairs, and Installations) 1852
Iosue, Gen. Andrew P., Deputy Chief of Staff, Manpower and Personnel, U.S. Air Force 1855
Conaway, Maj. Gen. John B., Director, Air National Guard, U.S. Air Force 1876
Bodycombe, Maj. Gen. Richard, Chief of Air Force Reserve 1882

RESERVE COMPONENTS PERSONNEL STRENGTH

March 24, 1982

Roberts, Maj. Gen. J. Milnor, AUS (Retired), Executive Director, Reserve Officers Association of the United States 1921
Hennrikus, Col. George F., Jr., USAF (Retired), the Retired Officers Association 1931
Coleman, Capt. Curtin R., II, USN (Retired), Naval Reserve Association 1932
McKinney, Sgt. Maj. C. A. (Mack), USMC (Retired), Senior Vice President for Government Affairs, the Noncommissioned Officers Association of the United States of America 1952
Thomas, Master Chief John B., Jr., USNR (Retired), National Legislative Director, Naval Enlisted Reserve Association, accompanied by Senior Chief Michael Buckley, USNR (Retired), National Executive Director, Naval Reserve Enlisted Association 1957
Guthrie, Gen. John R., USA (Retired), Association of the United States Army 1961
Greenlief, Maj. Gen. Francis S., NGUS (Retired), Executive Vice President, National Guard Association of the United States 1966
Index i

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1983

FRIDAY, FEBRUARY 26, 1982

U.S. Senate,
Subcommittee on Manpower and Personnel,
Committee on Armed Services,
Washington, D.C.

LAND, AIR, AND NAVAL FORCE STRUCTURE PLANS

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 224, Russell Senate Office Building, Senator Roger W. Jepsen (chairman) presiding.

Present: Senators Jepsen, Exon, and Nunn.

Staff present: Anthony J. Principi, counsel; Francis J. Sullivan, minority staff director; Paul C. Besozzi, minority counsel; Richard D. Finn, David S. Lyles, Kathleen Troia, professional staff members; Ralph O. White, research assistant; and Jacquie S. O'Grady, staff assistant.

Also present: Jon Etherton, assistant to Senator Jepsen; Paul Schreiber, assistant to Senator Denton; Greg Pallas, assistant to Senator Exon; Peter Lennon, assistant to Senator Levin.

OPENING STATEMENT BY SENATOR ROGER W. JEPSEN, CHAIRMAN

Senator Jepsen. The Subcommittee on Manpower and Personnel will come to order. We would advise that the subcommittee today meets to consider the Department of Defense force structure plans for fiscal year 1983 through fiscal year 1987. We are pleased to welcome Dr. Ikle, Under Secretary of Defense for Policy; Lt. Gen. R. D. Tice, U.S. Army, Deputy Assistant Secretary of Defense for Military Personnel and Force Management; Lt. Gen. William Richardson, Army Deputy Chief of Staff for Operations and Plans; Vice Adm. C. A. H. Trost, Director, Navy Program Planning; Lt. Gen. John Miller, U.S. Marine Corps, Deputy Chief of Staff, Plans, Policy and Operations; and Lt. Gen. Jerome O'Malley, Deputy Chief of Staff, Plans and Operations, U.S. Air Force.

Force structure plans are the outcome of policy, strategy, and the realities of the defense budget process. Ideally, a force structure for land, air, and naval forces should be the logical outcome of a comprehensive strategy that reflects national security policy.

The defense budget may be the foundation of our national security policy, but the policy must precede the budget plan. The defense budget provides the military services with the means to carry out national strategy by providing for the necessary operations, maintenance, and modernization of our force structure. The military capabilities of this force structure must allow us to deter all potential enemies. If deterrence fails, we must be able to fight, sustain combat, and win.

In order to consider the manpower request for fiscal year 1983 and the planned manpower requirements for the future we must examine the strategic and policy considerations that drive the force structure and how these considerations and the resultant force structure impact on manpower requirements.

For fiscal year 1983, the active duty conventional force structure request includes 16 divisions for the Army, 535 ships and 12 tactical air wings for the Navy, 3 divisions and 3 air wings for the Marine Corps, and 26 tactical fighter wings for the Air Force.

Gentlemen, we are delighted to have you here today. As you are well aware, we are faced with an enormous task in the days and months ahead. A serious economic situation and burgeoning budget deficit dictate that we carefully analyze a large defense authorization request for fiscal year 1983. Manpower costs account for a very substantial portion of the outlays in fiscal year 1983. It will be the subject of intense debate. Your insight and recommendations will be enormously helpful during our deliberations.

Dr. Ikle, you may proceed with a summary of your prepared testimony. Your entire statement and those of your colleagues will be made a part of the record as if read. Good morning and welcome.

STATEMENT OF HON. FRED C. IKLE, UNDER SECRETARY OF DEFENSE FOR POLICY, ACCOMPANIED BY LT. GEN. R. D. TICE, USA, DEPUTY ASSISTANT SECRETARY OF DEFENSE (MILITARY PERSONNEL AND FORCE MANAGEMENT); LT. GEN. WILLIAM R. RICHARDSON, USA, DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS; VICE ADM. CARLISLE A. H. TROST, USN, DIRECTOR, NAVY PROGRAM PLANNING; LT. GEN. J. H. MILLER, USMC, DEPUTY CHIEF OF STAFF FOR PLANS, POLICY AND OPERATIONS; AND LT. GEN. JEROME F. O'MALLEY, USAF, DEPUTY CHIEF OF STAFF FOR PLANS AND OPERATIONS

Dr. IKLE. Mr. Chairman, I appreciate this opportunity to appear before you today to discuss the Defense Department's policy and strategy which serve, as you said, as the basis for our manpower programs. You have already introduced the gentlemen who accompany me, and indicated their spheres of expertise. I propose that in the areas of responsibilities of these gentlemen, I may turn questions over to them.

I propose, if you are agreeable, Mr. Chairman, that I summarize my opening testimony. The other testimonies are being submitted for the record.

Senator JEPSEN. They will be entered in the hearing record as if read. Please proceed.

Dr. IKLE. This is a time for a difficult decision, Mr. Chairman. We are in essence confronted by a double crisis. Our economy is in trouble, interest rates are high, and you are under enormous pressure here to reduce the Federal deficit. Even though these pressures may be more psychological than real, and even though the deficit is not large in historic terms relative to our gross national product, the pressures are nonetheless felt here in Congress.

We have good reason to believe, however, that this economic crisis, like others in the past, is temporary, that its duration can be measured in months.

The reach of the other crisis, however, must be measured in decades. This is the crisis of the decline in our Nation's security; that is to say, the decline in our ability to insure the peace, to meet our commitments to our friends, and to protect our freedom and well being. The adverse trends that have worked against us for so long are now pretty well understood by the American people.

For well over a decade, our investment in military strength declined, while that of the Soviet Union steadily grew. Almost by the laws of arithmetic, the trends had to cross over one by one. We lost our superiority in strategic nuclear forces; we lost our advantage in tactical nuclear forces; we are losing our qualitative advantage in conventional arms in Europe. And if we fail to reverse the trends in military investments, we will lose even our advantage in maritime forces as well.

During this same time we suffered geostrategic reverses, in that the Soviet military empire succeeded in establishing outposts throughout the world: Danang, a former U.S. base, is now a Soviet base; Libya, where we could use the Wheelus Air Force Base, is now an arsenal of Soviet arms; Aden, a former British port, is now a Soviet base; Afghanistan, formerly neutral territory, is now a Soviet occupation zone; Grenada, formerly a Pacific island in the Caribbean, has become an airbase available to the Soviet Union.

These past developments, Mr. Chairman, are now understood by the American people. Opinion polls confirm the widespread desire to overcome the past drift of weakness and retreat. What is less well understood is the possibility of a dangerous further deterioration that could lie ahead of us.

Given the present trends in Soviet military investments, the accumulation of Soviet armaments and other military assets will continue to exceed the current rearmament effort of the West. Even an increase in U.S. military investments as high as 14 percent per year, continued throughout the decade, would not close the gap in accumulated military assets between the United States and the Soviet Union until the early 1990's. That is a bleak outlook, implying either further deterioration in our security or a need for a defense increase considerably steeper than what the administration now proposes.

Seen against this external threat, the defense budget that the administration submitted to Congress really leaves no room for retrenchment. Even with the proposed increase, we are facing a dangerous decade. We must not let the current economic crisis scare us into actions that would aggravate this long-term security crisis.

NO ROOM FOR WASTE

It goes without saying, however, that these large resources now dedicated to our long-term security must be applied wisely. While there is no room left for cutbacks, we also must leave no room for waste.

Above all, we need a coherent policy that guides our effort, an overall strategy to relate means to ends.

Mr. Chairman, Secretary Weinberger has presented testimony and his annual report to Congress in which he explained the defense policy of this administration in considerable detail. Before these explanations became available, distorted versions of the Reagan defense policy have been criticized. Now that we took pains to explain our policy, these criticisms still linger on—evidently our alleged position is an easier target for our critics than our real position.

For example, the Reagan defense policy is being criticized for increasing the reliance on nuclear weapons and planning on limited nuclear war. The opposite is the case. Compared with prior years, the defense policy presented to you gives less emphasis to the role of nuclear weapons and considerably less emphasis to theater and tactical nuclear forces; thus clearly a downgrading of the notion of "limited nuclear war."

Second, the criticism has been raised, for example by former Defense Secretary Harold Brown, that our defense policy substitutes "global unilateralism" for an alliance strategy. Mr. Chairman, we have moved in the opposite direction. We strengthened our military relations with our allies and friends; we upgraded security assistance to establish a complementary reinforcement of our forces with those of our friends.

Moreover, very importantly, we introduced a greater sense of realism into our alliance strategy by developing responses to ambiguous warning and preparing to meet aggression on those fronts where it is more likely to occur. That is to say, we strengthened our alliance strategy by moving away from the Maginot mentality of preparing almost exclusively for an attack on the central front.

Third, there has been criticism both that our policy pays too much and that it pays too little attention to the "window of vulnerability." What President Reagan's strategic program emphasizes are precise measures to close the most dangerous window of vulnerability: the vulnerability of strategic command and communications systems, to which the largest effort has been dedicated in the nuclear strategic program.

REDUCING UNITED STATES-SOVIET INVESTMENT GAP

Mr. Chairman, let me now turn to specific programs in our defense plan. It is clear that we urgently require increased investment to begin to reduce the United States-Soviet investment gap in conventional equipment. Compared to the final defense plan of the Carter administration, our plan will provide ground forces with 29 percent more M-1 tanks, 34 percent more fighting vehicles, and 25 percent more attack helicopters. These improvements will lead to a more modern and effective force with improved responsiveness and sustainability for both NATO and non-NATO contingencies.

In support of our flexible strategy, our program provides significant effort to improve our maritime capability: new ships, aircraft, and weapons procured for the Navy. This program will strengthen the offensive strike, antisubmarine, and antiair capabilities of a fleet which has higher readiness and can better sustain itself in combat.

When this administration took office, our deployable battle force numbered 479 ships. We currently project that under the Reagan program our deployable battle force will grow to 610 ships by the early

1990's. Our program includes two new nuclear-powered carriers, allowing replacement of the 45-year-old *Midway*-class carriers in the early 1990's. We propose to build 17 SSN-688 attack submarines, refurbish 4 battleships as the nucleus of forces to augment our surface combat battle groups, and add 10 amphibious ships to begin modernizing our amphibious fleet.

TACTICAL AIR FORCES

Let me now turn to tactical air forces. They make an important contribution to our global capability because they can react and deploy quickly to different fronts and can provide significant support for our possibly outnumbered ground forces.

Our program will modernize tactical air forces at more rapid rates while allowing only modest force expansion. For example, we project a 15-percent expansion in the number of fighter/attack aircraft for the Air Force, with a reduction in the average age of the force to 10.8 years from the Carter planned figure of 12.0. By fiscal year 1986 we will fully equip 40 tactical fighter wings and we tentatively plan to add 4 more wings in the outyears while continuing to modernize the force.

For the Navy and Marine Corps, we plan a 9-percent increase in aircraft while average age will decline from 10.2 to 9.6 years. These enhancements will improve our capability for flexible response to ambiguous warning and rapid deployment for multiple contingencies.

Other important forces for which we project major growth are our mobility forces. Our long-term goal is to have a more credible deterrent against the possibility of simultaneous conflicts in Europe, Southwest Asia, and other potential theaters. Our programs includes procuring 50 C-5's and 44 additional KC-10's for airlift to any theater, 2 additional POMCUS sets for pre-positioning in Europe, and acquisition and conversion of 8 high-speed SL-7 ships for fast sealift of 1 Army mechanized division.

MANPOWER

Now, let me turn, Mr. Chairman, to the question of manpower. Our response to the Soviet challenge and the improvements we are making in our force provide the background for our manpower planning, which I assume is the central concern of this subcommittee. The forces we field have various missions and associated workloads. These workloads are the main determinant of defense manpower requirements.

In determining manpower requirements, the Department of Defense uses an integrated approach which considers four basic categories of manpower: Active and Reserve military, civilian and contract. This approach is designed to provide the necessary manpower for these various categories. For example:

First, active duty military strengths are increasing by some 66,000 between fiscal year 1981 and fiscal year 1983. Most of these increases are associated with force improvements, such as:

The planned deployments of ground-launched Cruise missiles in Europe;

Improvement in the combat capability of existing ground forces;

Enhancements to wartime tactical aircraft maintenance capabilities, tanker refueling capability, and additional new KC-10 and AWACS aircraft;

Improved training to enhance personnel readiness;

The addition of a full carrier air wing;

The increase of about 30 deployable combat ships between the time this administration took office and the end of fiscal year 1982;

Increases in mobility capability;

Increased manning of ships to improve combat readiness;

An enhanced medical posture to meet peacetime and wartime medical requirements.

TABLE 1.—DEFENSE MANPOWER TRENDS

[In thousands]

Manpower category	Fiscal year manpower end strengths		
	1981 actual	1982 budget	1983 budget
Active duty military	2,082	2,110	2,184
Army	781	784	784
Navy [1]	540	553	569
Marines	191	192	195
Air Force	570	581	600
Selected reserve	899	946	1,000
Civilians [2]	1,019	1,034	1,035

[1] Beyond fiscal year 1982 the figures exclude 11,828 TARS (training and administration of Reserves) transferred from the active to the reserve authorization structure.

[2] Direct and indirect hires. Excludes employees in civil functions, such as Corps of Engineer civil works, administered by DOD; special student and disadvantaged youth programs such as the temporary summer aid program and National Security Agency employees in accordance with Public Law 86-36.

Table 2 shows the active duty military strengths by major program category. We plan modest increases in our strategic, tactical, mobility, and auxiliary forces, with corresponding support and training increases.

TABLE 2.—ACTIVE DUTY MANPOWER BY DEFENSE PLANNING AND PROGRAMING CATEGORY

[In thousands]

Program category	Fiscal year end-strengths		
	1981 (actual)	1982 (budget)	1983 (budget)
Strategic forces	92.4	96.5	97.0
Tactical/mobility forces	956.8	994.6	1,007.1
Land	562.6	566.2	567.9
Air	174.6	191.2	197.3
Naval	182.0	198.3	201.9
Mobility	37.5	39.0	40.0
Auxiliary activities	93.1	99.3	100.6
Support activities	624.3	630.6	635.2
Cadets and other individuals accounts	315.6	311.3	324.3
Undermanning		−22.1	−16.6
Total manpower	2,082.2	2,110.3	2,147.6

Table 3 depicts the geographic distribution of military manpower. Manpower strengths in Europe will increase by about 13,000 between fiscal year 1981 and fiscal year 1983, approximately one-fifth of the total military manpower increase. About 2,200 of this increase is in Germany, primarily for enhanced readiness of our combat troops, the GLCM deployment, and enhanced wartime readiness of our tactical fighter wings. About 3,500 of the increase is for enhancements in our tactical fighter wings in the United Kingdom, with about a 5,300 increase in our Navy, and Marine forces afloat in the European area. The remaining increase of 2,200 is spread primarily in other NATO countries.

A modest increase of about 8,200 occurs in the Pacific theater during this time period. Most of this increase is for enhanced Navy and Marine manning in Japan, Okinawa, and forces afloat.

TABLE 3.—MILITARY MANPOWER BY FORWARD LOCATION

[In thousands]

Locations	Fiscal year manpower levels		
	1981 actual	1982 budget	1983 budget
Total in forward aress	507.5	498.9	505.5
Europe	337.4	346.4	350.6
Germany	248.4	249.7	250.6
United Kingdom	25.1	26.8	28.6
Afloat	25.0	30.7	30.3
Other	38.9	39.2	41.1
East Asia and Pacific	126.5	132.5	134.7
Japan and Okinawa	46.4	50.6	50.7
Afloat	25.3	29.4	29.4
Korea	39.4	37.5	38.7
Other	15.4	15.0	15.9
All other forward areas	43.6	20.0	20.2

For our military Selected Reserve Forces, the DOD is aggressively building strength from the low levels reached in fiscal 1979. We have targeted the current Reserve program to produce trained strengths in units equal to wartime requirements by fiscal 1986, a major achievement.

During fiscal 1981, about 48,000 personnel were added to the Selected Reserve strength, with all of the Reserve components except the Army National Guard, the Army Reserve, and the Navy Reserve getting near their wartime requirements. However, based on fiscal 1980 and 1981 increases for these units, we anticipate continued improvements to meet wartime requirements by the end of fiscal 1986.

Additionally, in the important area of pretrained individual military manpower sources—that is to say Individual Mobilization Augmentees, the Individual Ready Reserve, the Inactive National Guard, Standby Reserve, and retired military personnel—in these areas we have begun a number of low-cost or cost-free initiatives to increase strength levels. These initiatives have had a positive effect on meeting our wartime mobilization requirements. And, of course, it is the capability to mobilize that adds so much to our overall deterrent capacity, Mr. Chairman.

Now Federal civilian manpower is a major source for full-time support of the Reserve Forces and depot level maintenance of ships, aircraft, weapons systems and the operations of vital shore-based activities of the defense forces. In fiscal 1983, the DOD total of about 1 million civilians included 947,000 direct hire civilians. Within the direct hire category about 65 percent are white-collar general schedule employees, while the remaining 35 percent are blue-collar workers.

The 16,000 increase between fiscal 1981 and 1983 primarily reflects more civilians in maintenance and supply functions. Why? To increase readiness and sustainability, the two objectives firmly endorsed by Congress.

The last area of our integrated approach is the contracting out of commercial activities. I should point out that the Defense Department is a leader in reducing costs and end strengths in this area. For example, in fiscal 1981 we contracted for services that otherwise would require about 150,000 additional Federal civilian and military employees. By the end of fiscal 1982, we plan to complete cost comparison studies for about 20,000 additional civilian and military positions to determine whether contracting operations would be more economical.

HOST NATION SUPPORT

Finally, let me mention host nation support which we are seeking from our NATO Allies. The U.S. forces allocated to Europe lack some of the manpower and logistics support structure that they would need to conduct sustained wartime operations. In order to help relieve the United States of support functions and allow us to concentrate our stationed and reinforcing troops on combat roles, we have received agreement in principle from Germany, the United Kingdom, and the Benelux countries for comprehensive host nation support. We have been discussing our needs with other nations. Negotiations have been progressing well and we expect a number of additional arrangements will be completed in 1982. Such agreements are an important part of allied burden sharing.

In sum, the Reagan administration is pursuing a comprehensive and balanced program to improve our defense capabilities in order to safeguard our freedom and insure the peace. Reversing the deterioration of our forces will require a sustained effort. I believe this effort has the support of the American people. I hope it will have the support of Congress. Thank you, Mr. Chairman.

Senator JEPSEN. Thank you, Dr. Ikle.

The Chair has been advised that service representatives do not have any oral statements, but I would certainly invite any remarks or any comments that they may have, prior to going into questioning. You are certainly welcome to do so. If not, your prepared statements will be inserted in the hearing record at this point.

[The prepared statements of Lieutenant General Richardson, Vice Admiral Trost, Lieutenant General Miller, and Lieutenant General O'Malley follow:]

PREPARED STATEMENT OF LT. GEN. WILLIAM R. RICHARDSON, DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS, U.S. ARMY

Mr. Chairman, members of the subcommittee. I appreciate this opportunity to appear before you to assist in consideration of the manpower aspects of the Army's FY 83 budget request.

The United States is faced with an increasingly complex and changing international environment due to a number of factors: worldwide competition for resources, third world instabilities and increasing Soviet assertiveness. Because of these factors, the chances for increased instability are high, and concomitantly, greater potential for conflict exists. While our paramount interest continues to be countering Soviet projection of power and influence in Western Europe, we must be prepared to counter the Soviets anywhere, on the Eurasian landmass and in other regions where the Soviets have the potential to threaten our vital interests.

Our nation must possess the ability to successfully oppose the Soviets, their surrogates and other hostile interests across the entire spectrum of conflict. The Army's mission is to support the national military strategy to deter any attack against U.S. national interests and, if deterrence fails, to have the capability to react globally to defeat any enemy in any environment. This mission requires that the Army be capable of unprecedented flexibility and of responding to any situation from terrorism to nuclear war.

To execute our mission, we must have a capable, credible force organized with an effective balance of combat and support forces, Active and Reserve, complemented with well trained manpower and modern weapons and equipment. We believe that our mid-range program, the first year of which is presented in this budget, provides that balance.

The Army's organization is built around people and the tasks they are to perform. Our organization is based upon the need to adapt people, armed with the appropriate weapon systems, to the terrain on which they must fight and against the threat they are expected to meet.

Our current organizational efforts are based upon four characteristics considered vital to the Army in accomplishing its mission. These characteristics, identified by General Meyer in his statement before the House Armed Services Committee on February 8, 1982, are: flexibility, technological competence, strategic deployability and tactical soundness.

Additionally, there are key requirements which all armies must have satisfied if they are to function effectively. These requirements are repeated at every level, from squad to national level. The Army's fundamental requirement is to field combat forces capable of defeating an adversary in land combat. Our combat forces are supported by artillery, air defense, engineers, signal and intelligence units. We must also be able to sustain our combat forces at the required level during combat operations. This necessitates adequate combat service support forces, such as supply, transportation, maintenance and medical. The combat forces combined with our combat support and combat service support forces are our key requirements.

The Army's organization is derived from careful study and analysis of future as well as past conflict requirements. This process begins as an analysis of potential battlefields, the terrain and environment, and what a probable adversary will bring to them in the way of weapon systems, units and tactics. We then examine our own organization, equipment, tactics and training to determine if changes are required. Each individual organization, and ultimately the Army as a whole, results from this careful review, where each part is thoroughly examined in a deliberate and rigorous process. Our present and proposed organizations are products of decisions made after careful consideration of these analyses which are continually matched against mission requirements for each potential conflict.

As we look at our organization, we first determine the forces required to execute the national strategy which is derived from national policy. Then constrained force objectives are determined through a process that includes explicit recognition of risks inherent in the constrained or affordable alterantives. Decisions on size and composition of the force are based upon the goal of providing the optimum capability for a given cost. Although policy and strategy directly affect the size of required forces, other factors affect determination of the forces fielded.

It is important for us to understand that the nation's wartime requirements are different from our peacetime needs. In the event of a conflict, our forces will be based upon the need for military power to engage the threat in accordance with the strategy, thus securing our vital interests. In peacetime the force requirements, both size and composition, Active and Reserve, are based in part on peacetime mission demands, the requirement to be ready and deter, affordability and political considerations, tempered by a thorough assessment of the risk.

Our force development process has achieved a balanced force capability to meet the minimum essential defense needs and sustain combat operations. Today, this force has 16 Active and eight National Guard divisions which are the major combat force elements. The Active divisions support forward deployments and provide forces for rapid deployment worldwide. The National Guard divisions provide reinforcements to sustain combat until total mobilization can provide additional forces which will have to be built from the ground up. The Reserve Components, Army National Guard and Army Reserve, provide other combat forces, such as separate brigades and calvary regiments, and, of extreme importance, over sixty-five percent of our wartime service support forces. This support is complemented by Host Nation Support to varying degrees in the various theaters. The Active and Reserve Components of the Army are inextricably linked in the Total Force. For even a small regional conflict, some level of Reserve Component call-up would be necessary for us to deploy a balanced, adequately supported force.

As we shape this Total Army to meet the challenges of the future, four concepts emerge as key to providing adequate forces for all conflict intensities.

First, the appropriate military strategy to respond to the threat requires a force with more global capability. As we develop this force, we find that we must balance our force structure requirements to provide lighter divisions with improved firepower and better tactical mobility, while meeting our requirement for heavy divisions.

The Army is currently organized with armored and mechanized forces designed to fight Soviet heavy forces (and their increasingly mechanized surrogate forces), and with light forces to provide flexibility for rapid strategic deployment to any part of the world. These organizations are designed to accomplish different tasks and functions and have different capabilities and different limitations. For example, our heavy units provide ground mobile, survivable firepower, but require considerable support and command, control, and communications to sustain combat operations. They are also the most difficult to deploy strategically. Our light infantry units can operate in all environments, are strategically mobile, but need reinforcement to conduct operations against armored and mechanized forces. Air assault units possess tremendous maneuverability and are capable of rapid-tempo operations, but require extra logistical support to maintain this operational capability. Airborne units are keyed to strategic force projection. They require the least support but cannot sustain combat operations without augmentation.

To supplement its main force fighting capability and provide more flexibility, the Army has organized special operations forces such as ranger battalions, Special Forces groups and psychological operations units. These forces support the projection of U.S. power where the use of conventional forces would be inappropriate or where the situation dictates that we economize on the use of our own forces.

We are in the process of improving our light forces with new operational concepts and high technology systems as part of our Light Division 86 efforts. This is designed to enhance the Army's global capability to deploy rapidly, while simultaneously improving firepower and tactical mobility characteristics. We are also taking steps to insure technology development provides equipment that is simple to operate and maintain. Our goal is to develop units based on the use of high technology which are both relatively fast to deploy and also able to fight a *heavily* armed enemy. The initial steps of this process are reflected in systems developments such as the Mobile Protected Gun found in the budget before you. The 9th Infantry Division at Fort Lewis, Washington is conducting tests to develop operational concepts in support of this effort. This division will eventually be organized as our first "high technology" division.

Second, there is a requirement for significant improvements to strategic deployability. The ability to move large numbers of forces from CONUS to wherever in the world they are needed is a vital part of the strategy. Improved strategic mobility will, in part, be achieved by our force structure changes which provide a more easily deployed force. The one needed element, though, is the means with which to deploy—additional airlift and fast sealift. Our sister Services, the Navy and Air Force, have strategic lift programs before the Congress which are critical to the Army's capability to deploy forces in a timely manner. We are particularly concerned over provision of adequate funds to complete the SL-7 roll-on, roll-off fast sealift conversion program.

Third, it is vital that we increase the role of the Reserve Components and insure they are ready to function fully as an integral part of the Total Force. Examples of this increased role to which we are moving are greater use of roundout units, continued resource support of manpower incentives, increases in full-time unit support, increased role in the RDF, better utilization of Army Reserve training assets, and increased allocation of equipment to the Reserve Components.

Fourth, we are moving to make the force more lethal and less personnel intensive through the exploitation of high technology, improving the design of our force structure which is an integral part of the Army of the 90's modernization effort, and more intensive individual and unit training. These efforts will allow us to use our soldiers—our most precious resources—more efficiently and effectively.

A foremost priority for the Army is force readiness. Attainment of a high state of readiness requires improved manning and training, increased equipment inventories and adequate steps towards modernization of the Total Army. General Meyer has charged Army Commanders with making training their first priority. This is vital to improved readiness. Attainment of our training goals is within our capabiilty, however, your support is needed to accomplish other readiness objectives.

Of particular concern is the enhancement of equipment inventories in later deploying forces which have lower priorities. Specifically, we are examining the Reserve Components. The Army is considering and adopting several techniques to meet this readiness obligation. First it is altering mission assignments, where practicable, to provide greater participation of the Reserve Components in higher priority missions. This will create commensurate increases in priorities for distribution of assets to these forces. We are also providing more discipline to the priorization process to alleviate inherent problems in equipment distribution. As a result, Reserve Component units are assigned a priority commensurate with their counterparts in the Active Component. Planned procurements of equipment, both standard and subsequent generations, will allow reduction of some shortfalls. As a result, there will be a redistribution of items replaced in deployed forces and in high priority United States based forces such as the RDF. This will improve readiness, training and morale.

Adequate modernization is essential to raise equipment operating rates while also improving combat capability and reducing vulnerability. Assurance of a moderate, stable modernization program will allow us to improve readiness through redistribution of displaced equipment to fill the shortfalls we have in equipment inventories. Our modernization plans also call for integrating new equipment with current but still highly capable equipment in a "high-low" technology mix. Organization redesign, where appropriate, insures that the units which employ technologically advanced systems in fact optimize their contribution to the force mission. This is the principal objective of our Division 86 transition program.

It is important to note that the operational and support forces discussed previously are supported and sustained by a logistical base in the United States. This base, comprised in large measure of civilians, provides supply and maintenance support for the entire Army during peacetime operations and expanded support during wartime. It also provides for continued research and development needed to modernize the Army, and develops the weapons and equipment necessary to maintain operational capability. This element is an important part of our FY 83 budget.

The Army is also supported by a training base comprised of military and civilian personnel which must produce quality enlisted soldiers, officers and noncommissioned officers who are mentally and physically tough and skilled in the combat essential tasks of their jobs. It also provides training programs for the conduct of unit training, develops the doctrine by which we train and fight and standardizes these policies, programs, tactics and techniques throughout the Total Army allowing interchangeability among our personnel and forces. The importance of an adequately funded and effective training base takes on a new dimension in view of the Army's modernization program and the requirement for new equipment training. This base is receiving increased emphasis in our efforts to improve the readiness of the Total Army.

In summary, the Army, as organized, represents the best balance of combat and support forces, Active and Reserve Components and civilians, complemented by Host Nation Support, that can be achieved within the constraints of available resources. It has been carefully put together from bottom to top and is tailored to provide a wide range of options to the National Command Authority at least cost to the nation. As presently organized, and with the organizational changes we have planned, the Army will meet successfully the challenges of the 1980's. This budget, in my judgment, presents the programs which are essential to meeting the most urgent demands facing the Army. Inadequacies and risks remain, but through our joint efforts we can provide the American people with an Army designed to protect, at a reasonable cost, the vital interests of the nation.

PREPARED STATEMENT OF VICE ADM. C. A. H. TROST, DIRECTOR, NAVY PROGRAM PLANNING

INTRODUCTION

I am pleased to have the opportunity to appear before this subcommittee to testify about Navy force structure planning.

Our Navy force structure planning is based on a careful evaluation of the capabilities necessary to meet the roles and missions assigned to our Navy and Marine Corps forces in support of U.S. national policy and strategy. U.S. political, economic and military policies are influenced by several key factors: Our desire for a world in which peace and political stability are a reality; by our increasing economic interdependence with other nations of the world; by our heavy reliance on overseas sources for critical raw materials, including a substantial portion of our current energy supplies; by regional political and economic instabilities in many areas of the world; and, by the challenge and the threat posed by an increasingly militarily capable adversary, the Soviet Union. These factors in turn dictate our military strategy, a strategy which has as a key and essential ingredient the requirement for a strong maritime strategy.

Our naval force planning rests on a U.S. maritime strategy which is straight forward and coherent. In his annual report to the Congress, Secretary Weinberger stated succinctly that it is the policy of the current administration to restore and maintain maritime superiority. Maritime superiority is fundamental to the achievement of the national military objective of this Nation. We must have the capability, in peace or in time of crisis, and in conjunction with other U.S. military and allied forces, to utilize or establish command of the seas when and where our national interests require. If challenged, we must be able to prevail in those areas vital to our interests. Specifically, U.S. maritime strategy requires that we have a capability to:

Preserve access to our overseas sources of critical materials, our trade markets and our friends and allies.

Maintain a survivable, capable sea-based nuclear strategic deterrent.

Keep open the sea lines of communication which permit the United States to maintain a credible forward deployed posture overseas as part of our forward strategy.

Provide a counter to the growing political, economic, and military threat posed by the Soviet Union.

Maintain forces forward deployed to contribute to regional stability and to provide a flexible response in time of regional threat or crisis.

Project U.S. or allied power ashore if required.

Provide a strategic mobility capability to move other U.S. military forces when required.

Operate offensively on a global basis, capitalizing on the geographical disadvantages of our adversaries.

Sustain a level of fighting in wartime sufficient to contain initial enemy actions, and then to gain advantage and ensure eventual U.S. victory, in either a short or a long war.

Retain strong residual forces for war termination and to influence the terms of peace.

A consensus clearly exists with regard to our maritime strategy and the capabilities required to implement that strategy. In addition to Secretary Weinberger's statement in the fiscal year 1983 defense report, to which I referred earlier, we were highly encouraged by the "Sense of Congress Amendment" in section 782 of the 1982 Defense Appropriations Act. This amendment makes clear that Congress recognizes and understands the important roles which must be carried out by our naval forces, supports a larger and stronger American Navy as an essential ingredient of our Armed Forces, and, that the Congress expects and demands that our Nation have naval forces superior to any adversary who might challenge us. Or, as stated by Admiral Hayward, Chief of Naval Operations, "clear maritime superiority when our allies are considered in the balance."

The naval force planner is thus faced with a clearly stated requirement for a larger and more capable Navy which will fulfill the need for maritime superiority. Since we are rebuilding our force structure from a reduced base, and, when viewed against the very impressive naval force growth and momentum achieved by the Soviets during the past ten years, the task of restoring maritime superiority will be a challenging one. Nonetheless, there is strong consensus among civilian and uniformed Navy leaders about the kind and size of Navy we need to execute our maritime strategy.

The kind of U.S. Navy required to implement the maritime strategy of this Nation—to maintain credible strategic nuclear deterrence, to be able to prevail in a worldwide conflict with Soviet maritime forces, to respond to "Third World" contingencies, and to carry out peacetime naval diplomacy—must incorporate the following characteristics:

For strategic nuclear deterrence . . . survivable, reliable and alert, forces; long-range and accurate weapons; and, two-way command and control.

For worldwide conflict with Soviet maritime forces . . . forces that can win in a three-dimensional environment; against a dense and sophisticated threat; in ocean areas where recognizable battle lines do not exist and the element of maneuver is a two-edged sword—having offensive and defensive attributes—in naval warfare; where the problem of surveillance is more difficult by an order of magnitude than in the land environment; and forces whose ultimate aim is to strike decisively from forward positions while protecting rear area sea lines of communications.

For "Third World" contingencies . . . forces in forward positions in a high state of readiness; where rapid deployment—by sea and air—of reinforcing units is of critical importance; against a threat not particularly dense but often sophisticated with great "staying" power; and, where the presence of non-belligerents can complicate naval warfare significantly.

For peacetime naval diplomacy . . . forces that are forward deployed and possess credible and relevant capabilities to protect power. War deterrence and protecting our interests are the goal and there is a lot of "waterfront" to cover.

FORCE STRUCTURE PLANNING

In planning a Navy with these characteristics, we acknowledge that we are faced with a principal adversary who will continue to outnumber us substantially. Recognizing this factor and the contributions of other U.S. military forces and of our allies, we base our force structure judgments and investment strategy on a number of key principles:

Control of the air remains an immutable imperative of successful naval operations. Critically, it is our continued ability to control the air that guarantees the Soviets they are forever exposed to being placed at an extreme disadvantage. Hence, there remains the continued essentiality of sea-based tactical air power, as represented by our carrier battle groups.

Flexibility of naval forces is the sine qua non to establishing maritime superiority. Since our force levels do not provide us the opportunity to carry out a naval strategy that permits us to dominate vital sea areas simultaneously, flexibility is critical to our being able to move from one vital ocean area to another with whatever naval force deemed required for the circumstance presented, and in choosing the time and place of the next encounter.

Effective distribution of offensive power is a further principle underlying our force posture objectives. The greater the degree of distribution, the more we enhance our striking ability, complicate the enemy's defensive problems and dilute the effectiveness of his offensive forces. Hence, our emphasis on the battleship reactivation, which has the potential of becoming the most effective offensive surface combatant in any navy today excluding our carriers. Likewise our program to install vertical launch Tomahawk in the *Los Angeles* class submarine, as well as to give virtually every surface combatant its own cruise missile capability, will assure proliferation of our offensive options. The long-range cruise missile represents probably the next great breakthrough in naval warfare, both for striking other ships at sea as well as vital naval targets ashore.

The force multiplier principle is a critical element in our investment strategy, one that helps assure that we can operate successfully in a highly sophisticated and complicated warfare environment. Hence, we must dominate electronic warfare, develop survivable surveillance systems, coordinate and integrate information through the employment of effective and survivable command and control systems, and frustrate and mislead the enemy through the most perplexing countermeasures.

The robustness of ship and weapons systems design is important if we are going to operate in hostile environments and survive, remaining functional in the face of battle damage. The characteristic of robustness demands redundant sturdy systems and components. They do not come cheap—which might help explain why the U.S. Navy is so often perceived to have a penchant for larger ships with their concomitant higher costs. We must be able to go in harms way—and return the victor.

Lastly, we seek to optimize the employment of smart weapons, capitalizing on new technologies available and striving to maintain a technological edge over any potential adversary. Hence, more and more of our design effort goes into the employment of smart weapons with high degrees of accuracy and kill probability in preference to investing heavily in platforms that go faster, higher, and farther.

In terms of numbers, the Chief of Naval Operations has stated that in his professional judgment "fifteen carrier battlegroups are essential if we are to say again with confidence that we have attained a position of maritime superiority."

Further, additional mid-range goals of the 600-ship navy—displaying the characteristics and reflecting the key principles I have discussed—consist of the following capabilities:

4 battleships.

Adequate numbers of Aegis-capable and Aegis-interactive battlegroup surface combatants.

100 nuclear attack submarines.

37 maritime patrol squadrons.

100–110 frigates.

Significant quantities of Cruise missiles and smart weapons in the above platforms.

MAF-plus-MAB amphibious lift.

30 minesweepers.

Support ships to match.

Strategic sealift to support overall U.S. military capabilities.

Navy force structure planning must address more than the number of ships and airplanes required for maritime superiority. Of highest priority, we must plan for the readiness and wartime sustainability of the naval forces in being. Unless "day one" readiness and wartime stocks of munitions, spare parts and medical supplies are in hand and our units are properly manned and trained, we cannot successfully implement the maritime strategy I have discussed. The need to balance the demands of the future against current preparedness is ever present in our planning process. We must plan for continued modernization of our weapons to ensure technological superiority over a threat whose sophistication and numbers continue to grow. In addition, we must purchase the necessary ships, aircraft and equipment to replace those retired due to age, while also striving to increase our force levels to recognized requirements. There is no precise way to measure the cumulative effect on military capability of the dollars spent on readiness, sustainability, force structure, and modernization, but we believe that our fiscal year 1983 budget achieves significant and balanced improvement in all four categories.

I wish to emphasize that we do consider carefully and place heavy reliance on the contribution of other U.S. military forces and of our allies in arriving at the capabilities just described.

The industrial capacity to build and sustain these forces has been present in the recent past and should again be available if the business community sees commitment on the part of our Government to attain long-term procurement objectives. Stability in force planning is extremely important.

NAVAL RESERVE STRUCTURE

The capability of our reserve forces—surface, air and support—is an important element in our overall force capability. The Navy has made impressive improvements in naval reserve readiness over the past several years and further qualitative improvements are receiving strong emphasis.

Our long-term program for the surface naval reserve is to have a force of at least 24 new or nearly new ASW frigates with LAMPS I ASW helicopters. The first two Knox FF–1052 class frigates were transferred to the reserve program early this year. More will follow, along with a number of the first Perry FFG–7 class frigates. There will likewise be a replacement of the 22 old minesweepers with new mine countermeasures ships; the final number has not been determined. Naval Reserve shore intermediate maintenance activities are already operating and more will be opened in later years to support Active and Naval Reserve ships.

MILITARY MANPOWER

One of the more important force planning considerations in regaining maritime superiority is military manpower. The Navy's military manpower, personnel, and training challenge of the 1980's is to man the growing Navy with sufficient personnel and with the proper skill mix. We will expand our force by nearly 70,000 personnel this decade in order to operate the Navy I have described earlier. Critics have doubted our ability to attract and retain a force of this size. We feel confident of our ability to do so.

The key to success in meeting these requirements is retention of trained personnel. Experience in the last 18 months indicates that we have, in fact, turned the corner in retaining our skilled personnel. The aggregate of military personnel legislation of the past two years contains the most significant improvements in military compensation in decades. For our Navy, the impact has been striking. This successful start must be sustained with continued improved retention throughout this decade.

The Navy personnel drain that reached its height in 1980 has been arrested. Although the serious petty officer shortfall will not be fully resolved for several years, virtually all our indicators—recruiting and recruiting quality, retention, attrition, desertion, personnel-related readiness—have improved significantly.

The major turnaround in the outlook, morale, and retention of our experienced careerists, upon which my assessment that we can man the larger Navy is based, is the result of these principal factors: First, the growing awareness by the American public of the importance of people serving their Nation in uniform. Secondly, and surely the most important, has been the combined effect of two years worth of military personnel legislation, which I just mentioned. Lastly, the Navy leadership—from supervising petty officer up to the Chief of Naval Operations—has been doing a very impressive job of running the Navy right. Sea duty extensions and requests for sea duty are up significantly and show a Navy on the move and proud of that movement.

As I have said, we are now turning the corner on the petty officer (experience) shortfall problems. Our inventory of skilled personnel is increasing. Despite manning a net increase of 19 new ships in fiscal year 1982, the top six enlisted pay grades shortfall will decrease by 4,000. Even while manning the increasing force levels, we project that the shortfall will decrease from the present level of 22,000 to about 8,000 by the end of fiscal year 1987. We make no assumptions about further real pay increases in these projections but do assume that the shortfall reduction is tied to maintaining compensation on a competitive basis with private sector industry and that the selective reenlistment bonus (SRB) program will be funded as necessary to retain critical skills.

Some manpower areas remain of concern—mid-grade officer and nuclear officer retention are two key areas—but we have had very excellent results from programs recently revitalized. Aviation officer retention is a good example. For the fiscal year 1981 cost of $26.4 million for the aviation officer continuation pay (AOCP) bonus enacted last year, we have retained 489 more pilots than we had forecast without the bonus. Comparing the replacement costs of these pilots—roughly $370 million—makes a very strong argument for extending this very important program beyond its current expiration date of September 30, 1982, so that we can continue to reduce our pilot deficit. We are continuing to closely monitor progress in this vital area.

Another concern in the military manpower compensation area is the congressionally-mandated change in lump-sum method of payment of the selected reenlistment bonus. SRB has been employed as an effective and flexible means of correcting specific skill shortfalls. We are concerned that this change, which restricts payments to one-half the bonus amount in the first year and the balance spread incrementally over the remaining years will be perceived by the sailor as a reduction in bonus purchasing power. We hope that this action, which in the long run saves the Government no money, will not have a significant offsetting effect on other positive elements in the retention equation. If we lose career petty officers who would otherwise reenlist, we must compensate with additional new recruit accessions. The petty officers we stand to lose are those with highly marketable skills.

Over the past 2 years, Navy has made a constant effort to enhance the mobilization readiness of the Selected Reserve by increasing the quality and skill mix of its personnel rather than by increasing end strength. In keeping with this objective, the Navy's budget submission included a selected reserve strength of 87,600. In the 1982 Department of Defense Appropriations Act, Congress increased this end strength to 94,000.

In our current plan, this level of selected Reserve end strength would not have been reached until 1986. Because of your strong support, Navy will be able to substantially accelerate this planned growth. We will, of course, continue to emphasize manpower quality and combat capability while doing our utmost to achieve authorized numerical goals. Combat, combat unit augmentation and medical support manning will continue to receive our top priority.

The Navy is committed to developing a strong, effective selected reserve that is capable of executing its mobilization mission. The recent decision to significantly expand and upgrade the combat capability of the naval surface reserve with the addition of modern ASW frigates is an example of this commitment. Much of Navy's planning Selected Reserve end strength growth is targeted toward meeting the crewing requirements of these ships, and manning the reserve intermediate maintenance units required to support them.

Unfortunately, the Selected Reserve mirrors the Active Navy relative to recruiting and retaining experienced petty officers in critical skill areas. Just as in the Active Navy, however, the recently enacted improvements in military compensation should result in greater retention, and enhance our recruiting efforts.

I am certain that when Vice Admiral Zech, Deputy Chief of Naval Operations (Manpower, Personnel, and Training) testifies before this subcommittee, he will amplify on these Navy manpower programs.

Military manpower programed for the coming decade is matched to a growing Navy, in balance with other critical resource needs, and is attainable.

CIVILIAN MANPOWER

U.S. Navy civilian personnel play a key role in achieving our force planning objectives. Navy civilian end strength requested for fiscal year 1983 totals about 300 thousand personnel. This level provides for essential readiness increases—especially for maintenance and repair—while projecting offsetting savings for economies and efficiencies such as cost-effective contracting out under the commercial activities (CA) program. The majority of the civilian employees of the U.S. Navy work in areas directly related to readiness, almost 90 percent of the fiscal year 1983 requested strength. Over 60 percent of that total are industrially funded civilian positions in shipyards, aircraft rework facilities, ordnance rework facilities, public works centers, Navy laboratories, and the Military Sealift Command.

Civilian personnel are essential to the cost-effective acquisition of ships, aircraft, and weapons systems of an expanded Navy. They also perform much of the overhaul, maintenance, and repair required to maintain, modernize, and increase the readiness of our existing Navy. Specific readiness end strength increases of about 9,800 positions include a naval shipyard increase of about 5,000 positions in fiscal year 1983 which in combination with increased private sector overhauls will allow us to hold the backlog of deferred ship overhauls to a level caused by operational availability of ships. Employment at naval aircraft rework facilities will increase by about 900 in fiscal year 1983 which will permit further improvement in aircraft readiness and largely eliminate the backlog of aircraft maintenance. Supply activity staffing will increase in fiscal year 1983 by about 1,700 to allow us to proceed with supply system modernization and provide quicker response to fleet needs. There are also increases planned for ordnance activities, supervisor of shipbuilding, conversion, and repair offices, fleet activities, and investigative activities.

The fiscal year 1983 budget reflects two major efforts at economies and efficiencies which will result in planned strength savings of about 8,900 positions, offsetting the program increases noted earlier.

CONCLUSIONS

The Navy of the 1990's will witness significant amounts of new hardware entering the fleet. There will be some new type platforms and equipment. However, we will tend more toward evolutionary design rather than revolutionary changes. Ordnance and spare part inventories will improve significantly from current levels; military and civilian manpower resources will be adjusted to support the larger force. Against these improvements must be weighed relative gains by the Soviets as they continue their momentum toward a truly "blue water," global Navy. The U.S. Navy will be viewing individual system affordability in terms of contribution to our overall military capability.

The need to restore maritime superiority is clear. The planning for the restoration and maintenance of superior maritime forces and capabilities has been accomplished. We need now to set about the long-term task of achieving these plans.

Mr. Chairman, I trust I have been responsible to your desires in my remarks this morning. I am now prepared to address any questions you might have for me.

PREPARED STATEMENT OF GEN. JOHN H. MILLER, U.S. MARINE CORPS

Mr. Chairman, distinguished members of the Committee: It is a privilege to have this opportunity to discuss the force structure of the Marine Corps and related personnel and manpower matters with you today.

The Marine Corps, as an integral part of the Naval Service, is a vital element in this nation's maritime strategy. That strategy is, of necessity, global in perspective and, as such, requires ready, responsive, and flexible forces capable of applying the entire spectrum of military options; from deterrence through presence to forcible entry when deterrence fails. Naval forces, sailors and Marines, are so structured as to provide the means to satisfy their portion of the manifold requirements of the national strategy, and do so through the implementation of seapower. It is my intention to share with you today some of the strategic and policy considerations that drive the evolution of the Marine Corps' force structure and how those considerations impact on the Corps' manpower requirements.

In the execution of the Planning, Programing, and Budgeting System (PPBS) responsibilities, the Joint Chiefs of Staff annually receive input from the various Commanders-in-Chief of the unified and specified commands. This input contains an assessment of the requirements necessary to satisfy the demands of the current national strategy. The basis of the CINC requests is accomplishment of the national strategy with minimum risk to the nation and without regard to fiscal, manpower, mobility, or other constraints.

The CINC inputs are then used by JCS to develop planning force levels that will give reasonable assurance of successfully accomplishing the national military strategy. This reasonable assurance force, developed in consultation with the Services, is contained in the Joint Strategic Planning Document (JSPD) which is the JCS' primary input to the Secretary of Defense for the development of his Defense Guidance (DG).

Now, after taking into consideration the nation's fiscal, manpower, and industrial resources, the DG provides the Services with force structure objectives and fiscal guidance. This becomes the basis for each Service's Program Objectives Memorandum (POM) which includes force structure and the manning level required for that structure.

We in the Marine Corps establish our force structure so as to be mission capable. As the committee is well aware, the fundamental mission of the Marine Corps is amphibious warfare. To accomplish that mission with maximum flexibility and capability, our operating forces are organized as Fleet Marine Forces which serve as the Landing Forces for the Fleets.

Fleet Marine Forces are comprised of ground, air, combat support, and combat service support units that are routinely task organized into Marine Air-Ground Task Forces (MAGTFs) for both training exercises and deployments. Marine Corps policy is that Fleet Marine Forces will be employed as integrated air-ground task forces tailored to accomplish specific missions. Regardless of the size of the MAGTF, it will include four major components:

Command Element; Ground Combat Element; Aviation Combat Element; and Combat Service Support Element (including Navy support elements).

There are three basic types of MAGTFs. The Marine Amphibious Unit (MAU) is a task organization which is normally built around a battalion landing team and a composite squadron. The MAU provides an immediate reaction capability to crisis situations and is capable of relatively limited combat operations. A MAU is considered to be the forward afloat deployed element of a larger landing force, which would be constituted as required from CONUS or forward-based combat ready Fleet Marine Forces.

The Marine Amphibious Brigade (MAB) is a task organization which is normally built around a regimental landing team and a provisional Marine Aircraft Group, capable of conducting amphibious assault operations of limited scope.

The Marine Amphibious Force (MAF), largest of the MAGTFs, is normally built around a division/wing team. It is capable of conducting a wide range of amphibious assault operations and sustained operations ashore.

The Marine Corps' peacetime force structure, as depicted in the current program, is a balanced, fiscally constrained structure that responds to the Defense Guidance regarding mobilization capability and day-to-day contingency posturing that includes forward afloat deployments. As such it achieves a force balance among combat, combat support, and combat services support functional capabilities.

Our force structure is built on a total force concept, utilizing active and reserve components, to provide the essential unit structure required to fulfill peacetime missions and concurrently to provide an adequate base for transitioning to wartime requirements. This concept reflects time phased deployment and mobilization planning factors, and provides a fiscally responsible and operationally responsive balance.

The Marine Corps' current POM is directed toward providing this Nation three active MAFs and a Reserve Division/Wing Team (DWT). Such a structure conforms to the legislated basis established by Congress and contained in Title 10, USC; however, the internal structure of the Divisions, Wings, and Force Service Support Groups comprising our Fleet Marine Forces is rightfully left to the discretion of the Commandant. As such, this affords the flexibility necessary to meet the challenges posed by a changing threat, to be responsive to DoD guidance/policy, and to adjust to resource constraints.

The total impact of strategy, policy, and force structure considerations serves then as the basis for the Marine Corps' manpower request. Our manpower program is developed to meet specific fiscal year end strength requirements, keeping in mind affordability constraints. Changes to the current force are based largely on considerations evolving from the plans set forth by the 5-Year Defense Program. However, no change is proposed that might be viewed as unattainable; the first step in the development of our manpower program each year is an estimate of attainability. Manpower programers annually reassess the combination of factors that will affect manpower attainability over a 5-year period. These factors include:

The numbers of qualified individuals potentially available.
The state of the national economy.
The quality goals we wish to achieve.
The availability of recruiting resources.
The anticipated reenlistment projections.
And other determinants.

Manpower attainability, therefore, affects decisions on how the force structure will be manned. Certain units are, for example, identified for cadre status, while others are manned at less than 100 percent. As part of the process, new enhancement initiatives are evaluated on the basis of their manpower impact in terms of requirements and cost. The force structure manning and readiness posture required to execute the national strategy translates into specific and detailed requirements toward which programming actions are then directed. The resulting profile represents our programming goal for the designated program year.

In conclusion Mr. Chairman, the Marine Corps' manpower request, based on strategy requirements balanced against fiscal and other constraints, provides this nation a balanced force in readiness capable of responding whenever and wherever called. It further provides a Corps of quality Marines who can endure rigorous training, accept firm discipline, respond to sound leadership, and perform with intelligence and adaptability. Therefore, the Marine Corps feels fully justified in making the individual Marine the focal point of all our efforts for it is these young men and women who provide the wherewithal to carry out our mission. I am confident you will agree that quality personnel, in sufficient numbers, are the key to success in maintaining the readiness and capabilities of your Marine operating forces. Given your support, we will continue to provide this nation those unique capabilities which have been the hallmark of our Corps and which have established a position as an integral and essential component of the national military strategy.

PREPARED STATEMENT OF LT. GEN. JEROME F. O'MALLEY, DEPUTY CHIEF OF STAFF FOR PLANS AND OPERATIONS, U.S. AIR FORCE

Mr. Chairman, members of the Subcommittee: I appreciate this opportunity to appear before you and assist in your consideration of the force structure aspects of the Air Force fiscal year 1983 budget request.

SECTION I—THREAT/STRATEGY—SOVIET MILITARY ADVANCEMENTS

Strategic Systems

The Soviets continue to give high priority to the modernization of their Intercontinental Ballistic Missile (ICBM) force and their Submarine Launched Ballistic Missile (SLBM) force stressing increased accuracy and greater throw weight. Their strategic arsenal includes 7000 nuclear warheads, with 1398 ICBM launchers and 950 SLBM launchers.

Soviet Air Forces

Soviet long-range bombers complement the land and sea-based strategic missile force. The Bear and Bison bombers are the mainstay of the long-range bomber force. The Backfire bomber is the latest addition to their bomber force with about two and one-half aircraft per month presently being produced. The Backfire is a versatile multi-purpose aircraft capable of performing nuclear strikes, conventional attack, antiship and reconnaissance missions. There are also indications the Soviets are developing a new long-range bomber, a new ALCM carrier and a new long-range air-launched cruise missile.

The offensive and defensive capabilities of the Soviet Tactical Air Forces have been enhanced with the introduction of the Fencer and upgraded versions of the Fitter, Foxbat, and Flogger. The Soviets continue to build tactical fighters at a rate of 1300 per year which has allowed them to modernize their entire counterair force and 75 percent of the ground attack force in the last decade. Further, they have improved the airlift capability needed to project and sustain those forces.

Soviet Ground Forces

The Soviet Ground Forces, numbering over 180 divisions, are highly modernized and well equipped, possessing great firepower and mobility. The Soviet leaders believe that it is possible to win war without resorting to nuclear weapons, or at least without resorting to a strategic nuclear exchange. To achieve these aims, the Soviets have increased the availability of helicopters, armored vehicles, self-propelled artillery weapons, and surface-launched guided missiles to provide clear-cut superiority at the onset of a conflict.

Soviet Navy

The Soviet Navy has been transformed from a coastal defense force of 260 ships in the mid-1960s to an ocean-going force of 362 surface ships designed to perform the functions of a tactical, theater and strategic naval power. The most serious threat to United States and allied naval forces and the defense of the worldwide sea Lines of Communication (LOCs) is the Soviet submarine fleet now numbering over 350 submarines. Fifty of the submarines are now capable of launching cruise missiles with a range of 400 to 500 km. The Soviets have also commissioned two small aircraft carriers since 1976 to give the Soviet fleet a limited sea-based, fixed wing aircraft operation for the first time. The Soviet fleet is supported and protected by Soviet Naval Aviation regiments numbering some 1440 aircraft. The primary strike force consists of 450 bomber and fighter aircraft. Bomber aircraft are equipped with anti-ship cruise missiles with stand-off ranges from 90–370 km, posing a serious threat to U.S. Naval forces. The fighter aircraft are equipped with short-range, air-to-surface missiles, rockets, or bombs for use against ships or short targets.

U.S. MILITARY STRATEGY

It is the necessity to counter-balance these Soviet military capabilities that establishes our military requirements and fundamentally sizes and shapes our forces. The United States, in conjunction with our allies, must develop and maintain warfighting forces, both conventional and nuclear, of sufficient combat power and readiness to deter Soviet aggression and defend U.S. interests wherever they might be threatened.

The policy of the administration regarding national security objectives is set forth by the Secretary of Defense in the Defense Guidance. The national military strategy then states how these objectives can be met across the spectrum of conflict. The goals of our strategy as stated in the Defense Guidance are: *First* to deter war—all war, not only nuclear war. *Second,* to limit the scope and duration of conflict, but be prepared to fight a prolonged conflict—if required—in order to defeat the enemy.

Consequently, our peacetime strategy is to maintain US national security with a balance of CONUS-based and forward-deployed conventional, theater nuclear, and strategic nuclear forces. Our wartime strategy is to employ military forces to win the war. To win, we must achieve our political objectives and secure war termination on terms acceptable to the United States and its allies.

To execute the strategy, our forces must be sized to prevail in the event deterrence fails. This, then, is the force size we need to successfully carry out the national policy. However, the reality of fiscal and political constraints precludes the building of such a force. Our resultant force is not large enough to execute the strategy without significant risk. As a result we have a recognized policy—forces mismatch and actions are underway to redress it.

SECTION II.—AIR FORCE ROLE IN SATISFYING MILITARY OBJECTIVES—STRATEGY

The steady expansion and modernization of Soviet strategic forces has brought about a dramatic shift in the strategic balance. The momentum of Soviet programs has begun to tilt that equation significantly in Moscow's favor. Reversing this relative decline in our strategic capabilities is fundamental to our security.

Strategic Modernization Program

The Air Force is confronted with a formidable Soviet challenge. We face the foreboding prospect of significant strategic inferiority unless we promptly undertake the necessary actions to strengthen our nuclear forces and restore the strategic balance. Correcting the strategic balance is fundamental to our security. We must proceed with an overall strategic modernization program that improves the survivability of our strategic forces, restores our strength relative to that of the Soviet Union, and assures that the Kremlin is denied any prospect of success in nuclear conflict. The broad strategic improvement program set forth by President Reagan last fall is designed to fulfill these objectives. We must proceed with it quickly; we must proceed with it resolutely. There must be no doubt in the minds of our foes and friends alike that we have the determination and capability to match the Soviets in strategic nuclear capability. We must restore our strategic strength, both to deter Soviet aggression and coercion and to provide a sound basis for the negotiation of equitable agreements to reduce strategic arms.

The President's strategic modernization program provides the blueprint for rebuilding a strong, credible nuclear deterrent and defense capability. The Air Force has responsibility for implementing most of the elements of this comprehensive program. With the support given this program by the Congress last fall, we have set in motion the following steps that our fiscal year 1983 budget continues:

Rebuilding our aging strategic bomber forces by fielding 100 B–1B bombers and increasing procurement of air launched cruise missiles, while also pursuing vigorously the development of an advanced technology bomber (ATB);

Improving the striking power of our ICBM forces by deploying the MX, initially in Minuteman silos, while pursuing the development of more survivable basing modes;

Enhancing the survivability and performance of our command, control and communications systems to ensure that we can obtain warning of an enemy attack and can communicate with our strategic forces; and

Upgrading the nation's defenses against bomber and cruise missile attack by replacing our aging F–106 interceptors with F–15s and improving our atmospheric warning and surveillance with the enhancement of the Distant Early Warning line, deployment of over-the-horizon radars on the East and West coasts, and the expansion of our fleet of airborne warning and control aircraft.

Manned Bombers.—Strategic bombers have been the cornerstone of our nuclear deterrent since the dawn of the nuclear age. Moreover these bombers serve as a powerful complement to our tactical air forces for the rapid projection of power around the globe. The US must have a modern strategic bomber force—a flexible, long-range striking force that can fulfill a wide range of nuclear and conventional missions. Bombers are the only element of the Triad of strategic forces that can be launched prior to a decision to employ these weapons. Our force of B–52s has performed effectively for the past two-and-a-half decades. They are becoming more difficult and expensive to maintain and, more importantly, will become increasingly vulnerable to Soviet air defenses over the next several years.

The limitations of the B–52 make it imperative that we start producing a replacement aircraft soon. Accordingly, we have undertaken a three-part bomber modernization program designed to maintain the usefulness of the B–52 while laying the groundwork for our future bomber deterrent capability. The program calls for:

Equipping our B–52Gs and Hs to carry approximately 3000 cruise missiles. These bombers will transition from a penetrator to a shoot-and-penetrate and eventually a pure stand-off cruise missile delivery role.

Producing 100 B–1Bs with an initial operational capability (IOC) of 1986. The B–1B will be an effective penetrating bomber agains the Soviet homeland well into the 1990s. The B–1B will also be capable of carrying missiles and conventional bombs. The B–1B will be a credible bomber well past the year 2000.

Developing and producing an ATB with an IOC in the 1990s. ATBs will be used initially to ensure effective penetration against the most heavily defended targets in the Soviet Union. Over the long term, the ATB will allow us to maintain the advantages of manned bomber weapons delivery into the 21st century.

Air Launched Cruise Missiles (ALCMs).—We are beginning to deploy the air launched cruise missile, a survivable, accurate long-range weapon that will increase targeting and routing flexibility, and reduce exposure of our bombers to present and projected air defense systems. The addition of large numbers of cruise missiles will also assist B–52 and B–1B penetration missions by confronting the enemy with a large number of intruders.

Land-Based Missiles.—Improving the capability and survivability of our land-based ICBMs is a key element of the President's strategic modernization program. ICBMs are an irreplaceable element of our strategic Triad and possess unique attributes not provided by bombers or SLBMs. These qualities include very high alert rates; high communications; highly response targeting flexibility; prompt hard target kill capability; and low operating costs.

MX.—We are finishing the development of the MX; are planning to deploy limited number of MX missiles in existing Minuteman silos by 1986, and are developing a survivable basing scheme for the longer term. MX will be much more accurate than the Minuteman, thus enabling it to more effectively destroy hardened Soviet military targets.

The administration directed us to examine long term alternatives to improve ICBM survivability. These include:

Deployment of the MX aboard a new, long endurance, continuous patrol aircraft;

Deep basing of the MX several thousand feet underground; and

Ballistic missile defense, possibly in association with some form of deceptive basing.

In the interim, while a long term survivable deployment mode is developed, the Administration has decided to deploy a minimum of 40 MX missiles in Minuteman silos. We are examining current Minuteman bases to determine their potential for MX deployment and plan to select the deployment base by mid-1982.

Minuteman.—Our current Minuteman force, consisting of 550 Minuteman IIIs and 450 Minuteman IIs has been upgraded considerably since the first Minuteman I missiles were deployed nearly two decades ago. Our fiscal year 1983 budget request provides for continued improvements in the endurance and effectiveness of these missiles.

We intend to replace 50 Minuteman IIs with a like number of Minuteman IIIs to help offset the decrease in strategic capabilities resulting from the phase out of the Titan IIs. In addition to demonstrating our resolve to redress the imbalance in U.S. and Soviet nuclear capabilities, this program will alleviate a shortage of Minuteman II flight test vehicles.

Titan.—Our Titan II missiles were deployed in the early 1960s. They have already exceeded their planned operational life and have become increasingly difficult and costly to maintain. We are therefore proceeding with the retirement of Titan IIs, an action we expect to complete by 1987.

The phased retirement schedule permits prudent withdrawal consistent with safety and logistical constraints. It also allows missiles remaining on alert during the phase-out period to remain committed to the SIOP—continuing deterrent contribution. In the interim, we are continuing to implement procedural and hardware modifications to ensure that active Titan missiles are as safe as possible.

Command, Control, Communications (C^3).—Strategic command, control, and communications programs (C^3) consist of systems, equipment, facilities, personnel, and procedures necessary to manage and employ our strategic forces and weapons. Effective deterrence requires a C^3 system which enables the National Command Authorities (NCA) to monitor the nuclear forces reliably and if deterrence fails, to provide the necessary information, command facilities, and communications to effectively prosecute a nuclear war.

TACTICAL FORCES

Conventional

In the turbulent global environment of the 1980's, it is imperative that our national leadership have at its disposal strong and combat-ready conventional forces in order to keep the nuclear threshold as high as possible. To fashion a credible deterrence against the worldwide threat, we must build flexible tactical forces which capitalize on our advantages in technology, trained manpower, and dedication to our mission.

It is impossible to predict where or at what level a conflict may take place during the next 20 years. Few Americans would have predicted in 1962 that Southeast and Southwest Asia would be the chief regions of military conflict in the sixties and seventies. TACAIR must therefore strive for flexibility to fight in different regions, at different levels of conflict, and against adversaries whose military forces are constantly improving.

Although tactical forces must be able to defend against Warsaw Pact aggression in the NATO center, we must also consider every potential region of conflict in determining force requirements. Tactical forces must be structured, equipped, and trained to fight on NATO's northern and southern flanks, in southwest Asia, and in the western Pacific. Each of these regions is vital to U.S. interests and poses unique geographic, strategic, and climatic problems to military planners.

Our tactical force requirements are driven by the steadily growing Soviet capabilities for theater warfare. The Soviets have built tactical air forces of increasing quality and quantity which are capable of sustained long-range offensive operations. Soviet ground forces, equipped and doctrinally prepared for massed, armor-rich breakthrough attacks, are capable of quick, decisive offensive operations. Tactical air power will play an essential part in the defense against these forces.

Recently, considerable attention has been focused in the Congress and public forums on alternative battlefield strategies for winning in a conventional war. The Air Force welcomes any contribution to the defense debate which heightens public awareness of the complexities and difficulties of waging war against an adversary who is equipped with modern weapons, who does not have to traverse major ocean areas to reach the battle, and who enjoys the advantages of surprise, offensive momentum, and tactical initiative. Air Force doctrine takes these and other factors into account and provides a formula which can be summed up in one word: WIN. The Air Force has two jobs in a conventional war.

First, we must win the air battle—we call it air superiority, something on which American forces have always counted in twentieth-century military history. Second, we must help the ground and naval commanders win the surface battle. The missions that enable us to do this are interdiction, close air support, and joint maritime operations. Tactical airpower is a key ingredient in winning the surface battle; we must deploy quickly, attack where needed, shift from air-to-air to air-to-surface attack as required, employ a wide range of conventional ordnance, and, if necessary, redeploy to other theaters of operation. To attain full flexibility of employment, our fighter forces are supported by tactical reconnaissance aircraft, a variety of electronic combat forces to counter the enemy's dense and sophisticated air defenses, and special operations forces.

To prepare the most capable and flexible fighter forces possible, we are building the finest fighter aircraft in the world, the F-15 and F-16. The F-15, with its lookdown-shootdown capability, is designed to gain air superiority over the battlefield and provide all-environment theater and strategic air defense. We are requesting procurement of 42 F-15s in fiscal year 1983 and 60 in fiscal year 1984 to modernize both our theater and strategic air defense forces. The F-16 contributes to the vital air superiority task and is capable in a variety of air-to-surface missions. Currently, the F-16 is limited to clear-air employment. It will provide the needed numerical strength for sustained, high-intensity conflict. The Air Force therefore has requested procurement of 120 F-16s in both fiscal years 1983 and 1984.

There are three sets of requirements which we must address now, in 1982, to prepare our tactical forces for the tasks ahead. First, to maximize the capability of today's force, we must continue to fund the necessary readiness and sustainability measures. Second, we must enhance the capability of our modern combat aircraft to make them competitive in the combat arena of the future.

Finally, we must continue a balanced program of force growth and modernization. The Air Force has established an intermediate force goal of 44 tactical fighter wings in 1990, a significant increase from the current 36-wing fighter force and a positive milestone toward meeting the full requirement. A modernized 44-wing fighter force, supported by adequate reconnaissance and electronic combat forces and manned with well-trained, dedicated people, is an achievable intermediate goal which will allow our national leadership to respond quickly to aggression in any region. By continuing this balanced program, we should be capable of prevailing at the conventional level of conflict. We can deter aggression only if we can win.

INF

Closely akin to our tactical conventional forces are our Intermediate-Range Nuclear Forces (INF). The 1979 NATO decision to modernize our longer range INF capability leads to the planned deployment of the Army's PERSHING II and the Air Force's Ground Launched Cruise Missile (GLCM). The GLCM will provide us with the capability to hold deep targets at risk and will also allow more flexible use of our Dual-Capable Aircraft. We are continuing development and deployment of the GLCM in order to meet our NATO commitments as well as improve our military capability.

Continued Congressional support will insure that the GLCM is deployed on time and the people associated with it are adequately supported.

In the future, we do not anticipate great changes in the numbers of INF weapons, but will seek to improve our INF delivery capabilities. Specifically, we need to improve our aircraft systems to allow increased range, enhanced survivability, and better night/in-weather capabilities.

FORCE PROJECTION

Airlift

A cornerstone of this nation's ability to achieve national goals is the capability to rapidly project and sustain a balanced military force on an international basis. Airlift is the mobility component that provides rapid response for employment of a sizeable force, while providing the flexibility to respond to unpredictable requirements. Fast, responsive inter/intratheater airlift transforms a potential combat unit in garrison to an effective fighting force in the field.

During the past several years, numerous studies have identified a severe shortfall in our ability to rapidly project and sustain our forces by air. The Congressionally Mandated Mobility Study (CMMS) completed in 1981, again documented a severe intertheater airlift shortfall (at least 40 million-ton-miles (MTM) per day) and recommended action to procure a minimum of 20 MTM per day immediately. Attainment of this objective is the minimum requirement if we are to have a viable intertheater rapid deployment force. Other studies have identified significant shortfalls in intratheater lift capability and a lack of a dedicated outsized intratheater airlift system necessary to support ground combat units. Our national strategy dictates that these deficiencies be redressed to assure an effective warfighting capability. Several airlift enhancement programs are ongoing which will improve our current organic capability. The C–141 stretch modification which provides 30 percent more volume capacity and incorporates an air refueling capability will be completed this fiscal year. The C–5A wing modification which extends the airframe's service life by 30,000 flying hours delivers the first production airframe in May 1983; program completion is scheduled in fiscal year 1987. The C–130A aircraft are undergoing a wing rehabilitation to extend their service life into the early 1990s.

The Civil Reserve Air Fleet (CRAF) continues to augment our military airlift force with passenger and cargo aircraft. The most recent CRAF Enhancement Program, which modified existing CRAF aircraft by strengthening the cargo floor, was rejected because the offered aircraft were range limited and the projected cost was much higher than expected. When new production of long range, widebody aircraft resumes, or better retrofit offers are proposed, the possibility of modifying these airframes will be evaluated; funds are tentatively budgeted in fiscal year 1984 and beyond for this purpose. Near-term reductions of the strategic airlift shortfall became feasible when the Department of Defense, after examining the magnitude of the shortfall, allocated additional funds to the Air Force to improve its airlift capability as soon as possible. Prior to that decision, the Air Force had worked in a fiscally constrained environment and had selected the McDonnell Douglas C–17 as the future airlift weapons system. Selection of this aircraft was based on the inter/intratheater lift capability, a modest funding program over the next decade, and fiscal year 1988 airframe availability. However, presented with additional funds in the near term, the Air Force decided to procure 50 Lockheed C–5 aircraft and 44 McDonnell Douglas KC–10 aircraft which accelerated airframe acquisition to fiscal year 1985 and fiscal year 1984 respectively.

Additionally, the Air Force elected to continue a Research and Development program to preserve the option to begin production of a C–17 flight test production vehicle in fiscal year 1984. This program will provide a potential to satisfy the CMMS recommendations and replacement for C–141 and some C–130 aircraft in the 1990s and beyond. Military strategy and future war fighting requirements dictate that our follow-on airlift forces must meet user's demands (outsized cargo capacity, air refueling, direct-delivery capability to small, austere airfields, combat offload, and aerial delivery) with simple, rugged, reliable, and survivable aircraft if we are to maintain a viable force projection capability. The C-17 is the precursor of this generic capability of airlift in the year 2000 and beyond.

Aerial Refueling

Because of the wide variety and great number of users, the need for combat flexibility over virtually the entire globe, and the growing political restrictions on landing rights and overflight, our aerial refueling needs have increased substantially. All our modern aircraft have air refueling capability.

Our current tanker fleet consists of 615 operational KC-135As and 6 KC-10As. We plan to increase the latter force to 60 operational KC-10s, to provide air refueling and cargo support for long range strategic airlift and tactical deployments. Over the years, we have come to rely increasingly on aerial refueling for our general purpose forces. It allows us to deploy forces anywhere in the world and employ them over greater ranges and provides increased combat effectiveness as the situation requires.

KC-135R.—A cost effective means of providing this badly needed additional capability is to modernize the KC-135 by reengining it with the CFM56. One KC-135, reengined with the CFM56 and designated KC-135R, will be able to do the job of one and a half KC-135A and will have a useful life well into the next century. The first of the initial 300 production aircraft will be modified in February 1982, and the total developmental effort will be completed after flight testing the first production aircraft in mid-1983.

In summary, the Reagan administration's defense program is designed to improve our defense capabilities and to safeguard the freedoms of our nation. My statement presents the United States Air Force's operational perspective on our plan to reverse force structure deterioration and develop an even more credible fighting force for the future. This will be a major effort and will have a near term goal of improving our current force more than expanding that force.

Senator JEPSEN. Senator Exon has indicated he will be here, and when he arrives, we will stop the questioning wherever we are, interrupt, because he has an opening statement for the record.

Dr. Ikle, your comment about some of the comments made by the former Secretary were rather ironic. Our allies and friends, it seems to me, those that I have talked to, would like to know about our resolve, our commitment, our credibility, where we stand. I think we have a most important one coming up here and we will discuss the aspects of it when we talk about the commitment we have on the Caribbean area and the things that are happening in Central America.

Domestically, there is a growing consensus that the defense budget should be cut. I do not necessarily subscribe to that position. However, realistically, the concern for the cut is growing. Without being judgmental about it, the rightness or wrongness of it, in my judgment and opinion is real. It is also my growing opinion that if we are to maintain consensus to do the things we must do in the very tough economic times we are going through, we are going to have to look at it very closely. And to quote many of my colleagues and others, there can be no sacred cows when we come to cutting the budget if indeed we are going to accomplish the tough job of turning this country around.

I know it is difficult, but if you can, pretend for a minute that should these cuts take place, in your opinion, where should they take place? Strategic modernization, operation and maintenance, force structure, cut divisions, cut end strength? It is not a very pleasant thing to discuss but we are going to have to face it; we are going to have to discuss it.

Would you comment on that, please?

Dr. **Ikle.** Mr. Chairman, what I was trying to indicate is that the budget that the administration submitted falls short of a comfortable margin of safety, at least for the immediate years. It initiates a program which later in this decade will make our Nation and our alliance more secure.

But if we retrench from this program——

Senator **Jepsen.** Excuse me, Dr. Ikle. I would like to welcome Senator Nunn. Senator, Dr. Ikle has made an opening statement and we just started on the questioning. I asked the following question, which is a very general one, and that is that there is a growing consensus that the defense budget should be cut. I do not necessarily subscribe to that position but concern for the cuts is genuine; it is growing. There is a feeling among our colleagues that we cannot have any sacred cows if we are going to turn the direction around and get a handle on the economy.

So I asked Dr. Ikle if he would in his opinion pretend for a minute, as difficult as it would be, that should these cuts take place, just where is it going to take place? Strategic modernization or operation and maintenance? Force structure? Cut divisions? End strength? That is what he is responding to.

Senator **Nunn.** Thank you very much.

Dr. **Ikle.** As I was saying, Senator Nunn, before you joined us, we believe the budget we submitted is a tight one that does not give us comfort as we look at the capability of our potential enemy, which continues to grow in terms of accumulation of arms and military assets, and for the time being grows faster in many categories than our own objective growth.

I think it is possible to get a rough assessment of the risk entailed in cutting back in these various categories, Mr. Chairman, that you mentioned. The assessment of the risk has to be somewhat intuitive because it is connected with the question of what time period we consider the most dangerous. It is, of course, impossible to give a definite forecast. We do not know when developments in the world and plans of our adversaries may lead to serious consideration of aggression, and at what point, whether it is in 1983 or 1985 or 1988, we would like our deterrent forces to be most capable.

But let me try in any event. This is an agonizing question which we face all the time in the broad decisions for the defense budget, whether we should propose to you to use the bulk of the budget to improve our capability quickly, which would mostly be in the category of readiness, or whether we should allocate more to be in a better position later on, in the late 1980's and early 1990's, which means primarily force expansion.

STRATEGIC PROGRAMS

If we cut back in the strategic program, it will, of course, mean that our backbone, the residual of our overall deterrent strength and strategic forces, would be less secure. And this would be dangerous in two ways. We would have a less resilient deterrence in normal peacetime, and perhaps more acute in time of conflict or war. The fact that our strategic forces do not possess the necessary capability and survivability might then be exploited by our enemy to press us in a conventional conflict to yield.

READINESS PROGRAMS

If you cut back on readiness, you know the answer. If conflict should break out somewhere in the near term, our forces would be less capable to cope with conflict. And as you cut back on sustainability, you run out of supplies. And given that our effort to improve industrial preparedness is only beginning, we would have a gap in the supply of our forces when the enemy forces could still sustain the fighting and we could not.

We do not like to contemplate that gap. That is why we are very hesitant, and we share this view with many of your colleagues and yourself, to cut back on readiness and sustainability.

FORCE MODERNIZATION

If you cut back on force modernization, first of all, what you gain there in terms of reducing outlays, of course, is much smaller than in the other categories I just mentioned.

Second, you leave to our successors, the next administration and the one thereafter, a less capable force, and you will remove the incentive on the part of the Soviet Union to engage in arms control negotiations that would limit the augmentation of our and their forces, because they realize they can continue to move ahead while we stay behind, without reaching agreement with us.

So these are agonizing choices, Mr. Chairman.

Senator **Jepsen**. Senator Nunn, do you have a statement?

Senator **Nunn**. I have several lines of questions, Mr. Chairman. Let me pursue just one and then I will refer back to you. I am trying to catch up on the statements here.

Dr. Ikle, welcome here this morning, and Generals and Admiral, I welcome you. This is I think an exceptional opportunity to take a broad look at what the foundation of our manpower requirements is, and that is the reason for the hearing, as I understand it, Mr. Chairman. I think it is a good hearing and a good way to start the whole deliberations on manpower.

INDUSTRIAL BASE

Dr. Ikle, just briefly, we talk about skilled manpower and we talk about the industrial base and I know you have been doing a lot of work on the industrial base. I have not been able to follow all the details, but I think that is an area that has been long neglected in our whole defense planning, and I think it is almost as important an area as the military itself: How we go about providing industrial base that can provide our needs in peacetime and can be expanded rapidly in wartime.

One of the things that we keep reading about, I keep reading various reports and views on it, is the question of skills. Of course the question of skill very much plays a role in military manpower, and of course we are doing much better now than we have done in the past few years.

But do we have any kind of comprehensive analysis of the skill training that is taking place in our society in terms of the number of people that are being turned out in the various skills that impact either the military directly or the industrial base, compared to the needs?

I have not been able to find a comprehensive data base that indicates the real gap between skilled training and the demand for skills. I keep reading we have various industries that have shortages of engineers, computer specialists, et cetera. Does the Defense Department have any kind of analysis or access to any kind of analysis?

Dr. **Ikle**. Senator, are you referring to the skills people have before they join the Armed Forces, that are relevant to their active duty? Or are you referring to the skills of the population at large that would be important for industrial mobilization?

Senator **Nunn**. I am really referring to both, but you have to start with the broader question because every time we train someone in the military, and there is a shortage in the broader sector, then the military is under great competition from the private sector in trying to get that skilled person to resign from the military. I know we are doing better now in retention.

So I think my question would be aimed in the broader context, the larger societal context, including the industrial base, not just the military.

Dr. **Ikle**. On the more narrow question, referring to the Armed Forces, we do have considerable data on surveys, and Lieutenant General Tice may want to add to that some specifics.

On the broader question, we have a steering group in the Defense Department on broad mobilization questions. We also have an interagency board. On the broader question, we have begun to work on the problem of both the risk of diverting skilled manpower in the event there was a force expansion in an emergency, and diverting them from defense industries.

We recognize this is an important area. We have to work with the Commerce Department, Labor, and other agencies of the Government.

Senator **Nunn**. But does anyone have underway a comprehensive analysis saying we need *x* number of skilled people in the military and in the civilian sector in the next decade, and we have *x* minus *y* number coming out of the schools that are capable of this kind of performance? I know in the military you get into training once you get there, but in an age of high technology there is an increasing overlap between the kind of training that is necessary for a military skill and the kind of training that is necessary for a civilian. That is where your competition comes from. I think that competition is going to increase, not decrease, in the future.

So it is a broader question, in my view, than just military. And really what I am asking is whether you have anything available or underway that looks at the whole question of skills in society, in the United States, that are needed, versus the number that are being trained, skilled training through the educational system and the private sector, to the degree that is taking place.

Dr. **Ikle**. We know there is a pressure increasing because of the contraction of the age cohorts. As to the skills, Lieutenant General Tice has specific data on that.

General **Tice**. Senator Nunn, one of the issues that we faced in the mobilization exercises we go through every 2 years is to try to identify those critical skills that industry would need and establish some policy for exemption of callup. How comprehensive that is, I am not sure at this time, but I think that we could give you a status report on that. It was raised 2 years ago, that if you go with unrestricted callup, mobilized in the form of a draft, there is very grave concern what happens to the aviation industry, what happens to the automotive industry, and whether there would be exemptions granted for those special skills.

Senator NUNN. Well, the kind of analysis I am looking for would have that dimension, what happens in the event of mobilization, but it also would be a question of what is it, even if we do not mobilize? What kind of starting base do we have of skills in this country versus what we need, and how is that going to be changed in the next 10 years?

General TICE. I think that in service our concern is whether those with the population at large, does it possess the learned abilities so that they can be trained in our specialized skills.

Senator NUNN. Yes, that is the key because there are a lot of these skills that unless you catch the educational level in the eighth and ninth grades before they get out of high school, you are not going to be able to train them at all—engineering, particularly.

General TICE. Yes, sir. Our interface perhaps with the Department of Education or the Department of Labor may not be as thorough as it should be.

Senator NUNN. But you say you have this interagency task force?

General TICE. Yes, sir. We have that working now. In addition to that, each of the services for the first time has undertaken a very concentrated effort to analyze—Navy has project Hardman. That is in concert with weapons systems development to look down the road 10 years, what type of skills and what type of individuals will be needed to man, maintain and train and operate that equipment. The Army has a similar program and so does the Air Force.

Until 3 years ago or 2 years ago, that received more lip service than it has active participation. But today we are for the first time interfacing the manpower, the R. & D., the research effort, to insure that we are not bringing weapons systems on line that we do not have the skills or people capable of training for.

Senator NUNN. Dr. Perry testified about a year and a half ago that he had under way a whole sort of new approach in trying to design weapon systems that would match the skills that he foresaw would be available to the military in the years ahead, and had to have a data base for that, what he foresaw. But when you talk to individual service personnel people, they would tell you that the quality was going to go up, up, up and when you talked to the R. & D. people, they say their whole premise was that the quality was going to go down, down, down, and they were designing weapons that way.

So I never have felt that even within the Department of Defense we had a comprehensive view as a data base and a starting point about where we were going on skills versus weapons or R. & D. versus the ability to maintain and so forth and so on.

And then you get into the broader question about whether the Labor Department and Defense Department and the Commerce Department and the Education Department, and maybe others, really do have that kind of project under way. I know it would be difficult.

But I think it is enormously important. I think it is much broader than just the defense budget, but I do not think you can isolate defense skills from the overall society, at all. I think the Defense Department starts training people at the cost of $20,000 to $50,000 to $100,000 to train even for simple skills, and as soon as they get trained, they are in demand.

So I think somebody has got to take a broader look.

I will terminate this line of questioning and yield back in just a moment, Mr. Chairman.

INTERAGENCY TASK FORCE

Dr. Ikle, are you a member of that task force? Who represents the Department of Defense on this interagency task force?

Dr. **Ikle**. On this board, yes, I do represent the Department of Defense on it, but that is focused on mobilization and emergency requirements.

Senator **Nunn**. So there is no such task force——

Dr. **Ikle**. For normal peacetime, I think there is just the informal cooperation between the departments.

Senator **Nunn**. Would you inquire of your counterparts in these other agencies that we have named and ask what data base they have available and determine if there is any kind of comprehensive view anywhere in the Government about where all of this fits together in the broader context?

Dr. **Ikle**. Indeed we shall, and I think we can also get you some data at least in a demographic framework which MRA & L and the Defense Department has ready, so we can get you a comprehensive answer on this.

Senator **Nunn**. I am looking for what is available now as a starting point to determine whether we should try to put anything in the law or whether we could just have an understanding, an agreement that somebody would fill in the gaps, to the extent they exist.

Dr. **Ikle**. We will give you a considered answer on this.

Senator **Nunn**. Thank you.

Mr. Chairman, I have other lines of questioning, but I yield back at this point.

Senator **Jepson**. Thank you, Senator.

Senator Exon?

Senator **Exon**. Thank you, Mr. Chairman.

Doctor, once again we are pleased to welcome you and your associates who are before the subcommittee on a very important subject. Let me make a rather brief opening statement and hopefully you would consider that and then maybe we can go into some questioning, following up, I understand, on the questions which have already preceded me.

Mr. Chairman, the purpose of the subcommittee hearing this morning, of course, is to consider the Department of Defense land, air, and naval force structure and to plan for fiscal 1983 through fiscal 1987. I want to join you, Mr. Chairman, in welcoming these important witnesses before our committee this morning.

The Defense budget represents the implementation of our national security policy. The budget provides for operation, maintenance, and modernization of our military force structure. The actual capabilities of our force structure must enable us to fight any potential battles and deter any potential enemies.

In order for this subcommittee to review the defense manpower request for 1983, it is important for us to review the force structure from which the manpower requirements are derived.

FORCE STRUCTURE

The Reagan administration has proposed a 5-year defense program totaling $1.6 trillion. President Reagan's defense budget authority in fiscal year 1987 will be 127 percent larger than the fiscal year 1981 budget. I only cite that to try to give us some comparison as to where we are going and what we are doing, before we proceed on how we are going to get there.

Adjusted for inflation, this is a real increase of 61 percent in defense spending from fiscal year 1981 to fiscal year 1987.

The expansion of our force structure, however, will not be nearly so dramatic. In the area of strategic forces, we will actually have fewer online ICBM launchers and fewer strategic bombers in fiscal year 1987 than we have today. Our online SLBM's will increase as a result of increases in the number of Trident and Poseidon submarines. Our active duty conventional ground forces remain essentially stable through fiscal year 1987, with some slight increases in the Army Reserve components and Marines.

Compared to fiscal year 1981 levels, the total number of Navy ships will expand 15 percent by fiscal year 1987. In our tactical air forces, the number of Active Air Force attack/fighter aircraft increases by less than 15 percent, and the Marine and Navy attack fighter aircraft increase by less than 5 percent by fiscal year 1987.

The emphasis of the administration, correctly, I believe, appears to be more on force modernization in the next 5 years and less on the expansion of our current force structure.

This subcommittee's interest is in how the changes in force structure and force deployments over the next 5 years will affect the military and civilian manpower needs of the services, particularly the Navy, and how the services will attract the manpower for their peacetime force structure increases.

MOBILIZATION REQUIREMENTS

We are also interested in determining the services' ability to meet wartime mobilization requirements. In this area I am particularly concerned by the conclusions of the recent report submitted by the Department of Defense suggesting that the services' shortage of trained manpower in the Individual Ready Reserve will not be eliminated by 1990.

Mr. Chairman, the level of defense expenditures for 1983 proposed by the Reagan administration is unprecedented in recent history. In constant dollars, the defense budget proposed for fiscal year 1983 is the highest since 1952, at the very height of the Korean war. It is important that we closely examine the assumptions on which this budget is based.

We have testimony from uniformed witnesses before this committee this year that large increases in force structure would be necessary to carry out the strategy of this administration. In view of this, the Congress needs to have a clearer idea on what this new strategy is, what are the risks that it entails, and when will we have the force structure our uniformed leaders say they need to carry it out.

Mr. Chairman, I thank you for your indulgence, and if I might, is it appropriate for me to go into one or two questions at this time?

Senator **Jepsen**. Go ahead.

Senator **Exon**. Gentlemen, I would like to elicit from you some perception of where we are going on this whole defense posture. I think each and every one of you know, and everyone in this room should understand, that we are all members of the Armed Services Committee, as well as this subcommittee, and I do not think there is any among us who are not for significant increases in overall defense expenditures.

So when we talk about making cuts, it might be much better if we talked about setting of the priorities on how much we are going to go above the increases in total spending we have had in the past.

One thing that I find is very difficult to explain sometimes is that when anyone talks about even removing one penny from the administration's enormous increases, some think that we are cutting back on defense. It is all a matter of perspective, of course.

Now I understand that this question has been asked before. I will ask it again, because I have asked it in front of witnesses representing the Defense Department in the Budget Committee, in the Armed Services Committee, and I will be continuing to ask it.

The first thing, gentlemen, that you should understand, is that the 18-percent increase in outlays, roughly $33 billion for the budget this year as opposed to next year by the administration, is simply not going to "wash" in its entirety before the Congress.

Therefore, I would hope that those of you on that side of the table and those of us on this side of the table, who basically have the same goal, begin to work together on how we are going and where we are going to make some reductions in this mammoth increase—not a cut in defense expenditure.

MANPOWER TRAINING

Now certainly I for one, and I think most of my colleagues realize, that we have the ongoing problem of properly trained manpower, and Senator Nunn just went into that in some detail with you.

I think that there is something else which is not generally understood. When often the total defense expenditures of the United States, as opposed to the Soviet Union, are not recognized with regard to the dollar outlays for manpower. I would like to see whether or not you agree with some of the statistics I have been made aware of.

Is it not true that about 53 percent of our total defense budget is somewhere related to salaries, manpower requirements, and outlays connected therewith: Whereas, on the other hand, the Soviet Union spends something less than 20 percent of their total outlays in this area, while at the same time they have about 2½ times more men and women under arms than we do. Is that a generally accurate statement?

Dr. **Ikle.** Senator, the Soviet Union does not escape the expenses of putting their people into the military merely because they do not pay them commensurate compensation. They withdraw these people from their economy. Their economy therefore suffers a loss, or what the economists would call the opportunity cost. It will fall on the Soviet economy, much as it does on ours, as we compensate our people.

In a way, it is a different way of budgeting for the manpower effort that the Soviet Union makes. It is to take the people out of the economy and not pay them. They lose the contribution that those people would otherwise make in agriculture, in the professions, et cetera.

Senator **Nunn.** If the Senator would yield on that point, certainly to the degree they have larger numbers than we do, it seems there is a disparity there, but assuming the same constant numbers, I do not see any difference in that in what we have. People who serve in our military are not in our economy either.

Dr. **Ikle.** No; I agree with that. There is a second aspect to your question, Senator, and that I think was not implied in your question, or maybe other people have reached that conclusion—I did not hear you say it—namely that because our compensation for our military manpower is more generous, and the Soviet Union forces their people to serve in the armed forces without that compensation, that because of that, the comparisons between the Soviet defense effort and our defense effort are distorted, and that we really are here counting our wages as if the Soviet Union had to pay these wages.

It is for that reason that in the posture statement that the Defense Department and Secretary Weinberger submitted, and in most of the statements that we make about United States-Soviet comparisons, that we focus on a category called military investment: namely the effort that the Soviet Union puts into buying arms and military equipment compared to what we put into the same categories, leaving aside a comparison of manpower.

It is that comparison that we find disturbing, which indicates that the Soviet Union is continuing, despite the projected increase that the Reagan budget entails, to buy more arms, to invest more in military assets than we do. Therefore, it can still widen the gap in military capability as expressed in armaments.

I am not sure this fully responds to your question. If it does not, please come back at me again.

Senator **Exon.** Well, in the first place, let me ask this question. I think we have opened up a rather interesting dialog here which I think needs some clarification, both for us and for the public in general.

Is it generally true, Dr. Ikle, the percentages that I gave, the raw figures, without trying to interpret them; that basically about 53 percent of our defense expenditures are related to personnel costs in some way and roughly about 20 percent of the Soviet defense budget or slighly thereunder is related to direct personnel costs? And is it true that they have about 2½ times as many individuals under arms as we do?

Are those generally ballpark figures? Are they accurate?

General **Tice.** I am not sure about the Soviet Union. I think our assessment of what we are spending in the budget for all personnel costs, which are in O. & M., and the military pay account as well as the retirement account is in the ballpark.

Senator EXON. In general you are not familiar with what is estimated as the portion of the Soviet budget that goes for——

General TICE. I think I have seen the same releases and the same articles that you have that have become public knowledge as well as private knowledge, that about 25 percent of the defense effort of the Soviet Union goes to their manpower.

Senator EXON. And is it then also true that they have about 2½ times as many individuals under arms as we do? Is that accurate so far as we know?

General TICE. Yes, sir.

CONSCRIPTION AND THE DRAFT

Senator EXON. Now, you have made a very good point and I am glad you made the point in response to my question, Dr. Ikle. In other words, what you are really saying is that when we start comparing the overall commitment to defense between the Soviet Union and the United States, we must recognize—I guess it was a point of your answer—that they are not subsidizing or paying their people comparable with ours, but instead are using conscription of people to serve as they see necessary in their armed forces.

Therefore, if that is true, which I think it is, you could make the argument that if we wanted to be fair in comparison with what they are doing compared with us, then their budget should even be higher. Is that what you were trying to get at?

Dr. IKLE. Well, that is one conclusion. Indeed, our allies in the Federal Republic of Germany often point out, and I am sure Chancellor Schmidt has pointed out to members of this committee, that the German contribution to the alliance is greater because they have the draft and we do not.

Now by the same reasoning, one could say the Soviet military effort is even greater than our estimates indicate because they have conscriptive manpower and they get it more cheaply.

Then I was making a secondary point which is important for realizing where we are headed, and really what kind of risks we are taking, in contemplating a possible retrenchment from the budget, and that is the comparison of the effort on the Soviet side going into buying armaments and our side.

Senator EXON. Well, if it is true, Dr. Ikle, that we probably cannot cut back on that percentage of the budget significantly that is going to personnel—nor do I think we should. I think we all recognize that the properly trained people with experience serving in the Armed Forces is critical to meeting our future needs—if that is true and I would suspect we all agree that it is, then the follow-up question comes. Can you give us any suggestion from your perspective or any of the other members of the panel this morning, as to where those of us who are looking for some rather significant cuts in the overall budget—and since we think it cannot and should not come out of basic preparedness and readiness, which is at the heart of our manpower and one of our needs—where do we make those cuts and what suggestion would you have to those of us who sit on this side of the table who have to make the hard decisions on the recommendations you have given us? Can you help me at all?

Dr. **Ikle.** In a way, I have been trying to answer a similar question from Senator Jepsen, and I think that in fairness to the problem you present, I think what we can do is try to articulate more clearly, spell out the risks that you would open up as you cut back in various different areas: for example, the risk that you open up if you cut back in the strategic nuclear program concerning our nuclear deterrent, the backbone of our overall deterrent posture; or the risk that you open up if you cut back on readiness, that our forces would not be capable of fighting if conflict were brought about suddenly.

Now if somehow you could be sure that we would have 2 years warning, which has happened historically, for example, in World War II—and we could increase our readiness, then we would not have to spend the money on readiness now because we would have 2 years to fill out the supplies, repairs, and ammunition.

So if you cut back in a way, what I think we can explain to you is a better articulation of the risks that we open up if we did cut back in any one of these categories.

Senator **Exon.** Assuming that we felt it was necessary to cut back on some portion of our ICBM modernization, some portion of the two new bomber programs we have in place, if that were going to happen, would you feel that it might be wise for us to keep our Titans in their present silos, as opposed to beginning the withdrawal of them one at a time beginning this October, and covering up the holes?

Dr. **Ikle.** Well, it would depend on what the alternatives are that you sketched out, of where you are to cut back. We want to focus, and I think this is really a good step forward in President Reagan's strategic program of last fall, to focus not on some mirror-imaging of United States and Soviet missile strength, of forces sitting on the ground in peacetime, because that is not what gives us deterrent strength. But to focus instead on survivable forces, survivable systems.

Hence the stress on command, control, and communications that must survive to heave deterrence, and hence the emphasis on long-term survivability for the ICBM basing, and hence the emphasis on the B–1 that can escape more effectively attack on the ground than can the B–52. And hence the deemphasizing of the old Titan missile that is highly vulnerable and ultimately costs money to retain.

Senator **Exon.** But Dr. Ikle, you are representing an administration which has in my opinion begun to unilaterally disarm America by pulling out the Titans, would have them all gone about the time we begin to deploy the new MX in highly vulnerable Minuteman silos, and during the same time we all know and recognize—and it is quite well documented—that in the meantime right now, the Soviets are aiming 12 additional warheads per month at ourselves or our allies.

I guess I do not understand this rationale of the administration closing its options and unilaterally disarming the Titan, regardless of its possible shortcomings in some areas, at a time when we are becoming more and more behind the Soviet Union in both megatonnage and the number of missiles that we have pointed at each other. Can you explain that?

Dr. **Ikle.** Yes. If the Titan could be maintained cost-free and risk-free, the story would be different. But as you know, there are costs entailed if you were to maintain it longer, if the system had some accidents and there were problems with operation and maintenance costs.

But we would consider it wasteful to retain that system merely to have some symbolic capability sitting there on the ground which does not present a deterrent force because it is not a second strike capability.

Now you are right. Until one of our long-term MX basing modes becomes operative, we do not have that kind of survivability for the MX. But the reason that our program recommends going ahead with the MX is to move toward the long-term basing mode.

MX MORE CAPABLE THAN TITAN

The temporary basing mode—given that the MX is a far more capable missile than the Titan, has higher accuracy and multiple warheads, and is safer—is at least an improvement over the Titan, but it is certainly not our ultimate goal. Our ultimate goal is survivability.

Senator EXON. Dr. Ikle, let me try to explore once more the myth I have heard from other administration witnesses on different occasions that we are going to save money—we are going to save money by covering up the Titan holes starting October 1. The figures which have been cited on this is that over a 5-year period of phasing out these Titans, we would save about $500 million, or on the average of $100 million a year.

Now $100 million a year, compared with a $216 billion outlay for 1983 as proposed by the President, is so miniscule. Or, putting it another way, keeping these Titans for what they are worth—and I think you are underselling their worth, as they complicate the decisionmaking of the Soviet planners—the total cost of this would be about one-half the cost of a new B-1 bomber per year.

Now therefore, I really do not think it is fair to indicate that we are making a savings, significant or otherwise, by phasing out the Titan.

How do you answer that? Am I right or wrong?

Dr. IKLE. I think with the figures you use, you fairly describe the situation. We are not saving billions but we are saving hundreds of millions.

Senator EXON. $100 million a year.

Dr. IKLE. Yes, over the 5 years, and if we do not start now, it will be more than 5 years. It seems eminently worthwhile, as we are pressed, immensely pressed, to squeeze out every unnecessary expenditure.

Senator EXON. Now, the figures were cited a few moments ago. If you are going to go for the 5-year period, you had better talk about $1.6 trillion, and we are going to save $500 million out of $1.6 trillion. You know, it is so miniscule that I do not believe, if anybody understands the situation, that you could really justify that on the grounds of savings.

You know, I could save money out of my budget if I quit smoking. and my wife has suggested that, but she has never come to me and said that you should quit smoking because it would help us out in our overall budget.

And I think it is fair to compare the administration's proposal to pull out the Titans with me eliminating my tobacco smoking from the standpoint of saving money.

Dr. IKLE. I think the question comes more down to the judgment about the deterrent contribution, the value on the one hand and the risk of the missiles, accident risk and otherwise. These are partly technical judgments and partly intuitive judgments.

It is fair to say that when they are measured against the total defense budget, it is not a large percentage savings. On the other hand, you are certainly aware that if ever a newspaper or indeed a Member of Congress finds $100 million of "waste," it is no longer then considered a small figure. It is considered gigantic.

WORLD WAR II BATTLESHIPS

Senator Exon. I have found that, oh, yes. You are projecting in the budget—I do not know the exact figure, but I think the budget this year, or for next year, as proposed by the President, adds about $475 million to pull one old World War II battleship—one—out of mothballs.

What would you think from the standpoint of a Soviet planner if you had to decide whether you would rather have the United States pull one World War II battleship out of mothballs at $475 million or keep those Titans in those holes? Wouldn't you think he would be more complicated by keeping the Titans and doing away with the battleship if we had to?

Dr. Ikle. I think this is a good comparison, Senator. As a Soviet planner looks at the initiation of nuclear war—we do not want to strike first in nuclear strategic attack. That has been the U.S. established policy since the late 1940's. So as a Soviet planner, we are concerned about his looking at striking first.

He has an immense number of warheads. You are right that these Titan missiles provide some increased capability at a slight cost increment. But it is a very, very small requirement for the Soviet planner to destroy those Titans on the ground.

On the other hand, if he looks at the conventional conflict, the battleship is a very important factor as a platform for cruise missiles and other weapons. Perhaps in Third World area conflict theaters, it could be a very, very powerful instrument for the United States to help our allies and friends, and therefore could weigh heavily in Soviet naval and maritime calculations.

Senator Exon. Thank you.

My time is up, Mr. Chairman. I thank you.

Senator Jepsen. Senator Nunn, I have several questions for Dr. Ikle in the direction of personnel.

PERSONNEL

Dr. Ikle, I understand that major new investments in the living and working conditions of our troops in West Germany have been repeatedly delayed pending the outcome of negotiations on the master restationing plan. What is the status of those negotiations? How long do you expect they will take?

Dr. Ikle. The negotiations have been dragging along, from my point of view, far too long, and it relates to differences in perception and plans between us and the Federal Republic. And I think the primary reason why we have not been able to move to closure is the enormous budgetary pressures that people in Bonn feel, much as here, and they hesitate or feel it is impossible to commit themselves to the required expenditures.

Lieutenant General Tice may want to give you more detail on this.

Senator **Jepsen**. Yes. How can we get the West Germans to take these negotiations more seriously?

Dr. **Ikle**. We are trying in every way to point out to them that it is in the interest of the common defense that we move ahead, that in the interest of burden-sharing the agreement has to move forward. We bring it up on every occasion.

We have made progress in another area, as I mentioned in my opening statement, in host nation support.

Senator **Jepsen**. Moving now to another part of the globe, the uncertainty of our commitment to the defense of South Korea has discouraged the investment that many of us think is desperately needed to improve the living and working conditions of our troops there.

Is our commitment in South Korea sufficiently permanent now to allow us to accelerate the replacement of delapidated facilities and the transfer of tactical equipment?

Dr. **Ikle**. It is not the uncertainty of the commitment that has slowed down the improvement of—I heard you say living conditions, or the equipment?

Senator **Jepsen**. Living conditions.

Dr. **Ikle**. Slowing down of the improvement of living conditions. Rather, it is a lack of money in our budget.

CARIBBEAN COMMAND AT KEY WEST

Senator **Jepsen**. The Department of Defense recently announced its intention to form a new unified Caribbean command at Key West. What forces would be dedicated to that Caribbean command, or which of these forces would actually be located at Key West?

Dr. **Ikle**. General Richardson?

General **Richardson**. From the standpoint of the Army's part of this commitment, ultimately there should be some Army portion that is part of that Caribbean command. However, we do not have a particular responsibility with that Caribbean command at Key West. We think all options ought to be looked at with respect to where the command and elements might be located for the requirements of that particular region.

Since the region is both in the Caribbean Basin and in Central America, therefore obviously we want to take a careful look at what forces are needed and where they should be located.

Senator **Jepsen**. So I am trying to interpret what I think you said. There really hasn't been any allocation, or is there any study being made as to what you may be doing?

Dr. **Ikle**. Perhaps we can submit for the record the exact status of our plans. I have been hesitating a bit in my mind, having been involved in the discussion, I could not precisely remember which ones were decided on by the Secretary and which ones were only proposed to him. I could submit that for the record, what has actually been decided as against being in a state of discussion.

[The information follows:]

UNIFIED CARIBBEAN COMMAND

Question. What forces would be dedicated to the Caribbean command, or which forces would be located at Key West? What is the status of our plans?

Answer. A new Caribbean Command was established at Key West on December 1, 1981. No forces have, as yet, been assigned to the Command. Such forces would be assigned as required.

Senator **JEPSEN**. All right. I will move in rapid fire succession here with the questions for each one of the branches and then defer to Senator Nunn.

General Richardson, the Army budget request for fiscal year 1983 does not assume any increase in the current structure of 16 active divisions. In addition, the Active Army end strength remained virtually unchanged from fiscal year 1982 to 1983.

PERSONNEL NEEDED TO MAINTAIN DESIRED STRENGTH

What is the optimum or most desirable personnel size of our current 16 division Army?

General **RICHARDSON**. Mr. Chairman, if you were to say optimum size from the standpoint of filling the currently approved force structure of the Active Army to required or wartime levels, the end strength figure would run up to some 867,000 in the current timeframe, and in 1987 it would be about 890,000. However, a fully structured and supported 16 division force in the Active component—that is, 16-division combat increments with the same number of nondivisional combat and tactical support increments—would require an end strength of approximately 1,190,000.

Senator **JEPSEN**. Admiral Trost, there has been talk by the Chief of Naval Operations that the 15-carrier battle groups are essential to say with confidence that we have attained a position of maritime priority. Do you want to comment on how the Navy arrived at the particular number of 15 as the minimal number necessary to achieve maritime superiority?

Admiral **TROST**. I can comment on that, yes, sir, Senator Jepsen. The Navy looked at force structure from the standpoint of what is required both to sustain our worldwide commitments for deployed forces in peacetime, as well as what would be required in wartime.

The 15 is a lower limit, probably more an affordable one, of that which would let us do the kinds of things that we foresee happening in a wartime situation, not all at once in any sense but in a sequential manner, and give us a reasonable expectation of being successful.

Senator **JEPSEN**. Is that included in, in your opinion, or superseded by a 600-ship Navy by way of priority of importance or are they one in the same?

Admiral **TROST**. They are really one and the same. The 15-carrier battle group Navy is what leads one to derive a force level of approximately 600 ships by the end of this decade. That force level would include a balanced force of about 100 SSN's, the necessary frigates, cruisers and other units that make up a battle force structure, as well as minesweeping, support ships, and our strategic lift requirements which support the Army and the Marine Corps forces.

MANPOWER PROBLEM

Senator **Jepsen**. Are there any special plans, either on the drawing board or in existence, by way of supplying the manpower? The Navy does have a manpower problem certainly in the key areas that Senator Nunn alluded to here.

Admiral **Trost**. Yes, we have some very precise manpower plans both to meet those manpower problems which impact on readiness of today's existing forces, and those manpower programs necessary to man the larger Navy toward which we are programing.

We are at the present time, as I said in my statement, confident that we can meet those long term levels. I suppose perhaps the better term would be cautiously optimistic because our confidence is based on a continuation with the support of Congress, of the necessary pay and allowances package, that will make the military competitive with the private sector and permit us to continue the types of improvements we are making.

We currently, for example, for more than 2 years have met our net recruiting goals. We have met them with the kind of quality personnel we are looking for. Our retention has improved rather dramatically in the last 2 years, thanks in very large part to the efforts of Congress in both pay and benefits, and especially sea pay types of packages, which are extremely attractive to our personnel.

We have found that some of the other indicators of ability to build a larger force, such as attrition during the first term which is down markedly, desertion which is down markedly, all point to an ability to continue to build toward the force levels we are aiming at.

HOMEPORTING NEW SHIPS

Senator **Jepsen**. Will there be some of the new ships that the Navy plans to add to the fleet, will they be homeported overseas?

Admiral **Trost**. Currently, as you know, we homeport some ships overseas, predominantly in the Western Pacific, and by so doing essentially stretch our force a little wider. For the future there are no specific plans to put any of these new ships overseas, but I would be misleading you if I told you that we did not from time to time take a very careful look at whether it might not be prudent to do so.

Senator **Jepsen**. You are looking at whether it would be prudent to establish any new homeports abroad?

Admiral **Trost**. I think it would be more likely that we would take advantage of existing homeports as bases for support of additional ships, if our requirements dictated that we could better meet our commitments by overseas basing.

Senator **Jepsen**. Thank you.

DEPENDENTS ACCOMPANYING SPOUSES

General Miller, I understand the Marine Corps is studying the possibility of allowing more dependents to accompany their spouses. In fact I understand they are doing more than studying it, as to their tour of duty in Japan, Okinawa. Could you describe the personnel problems that you hope to relieve by allowing more accompanied tours in these areas?

General **Miller**. Yes, sir. We currently have about 4 percent of our Marines stationed in Okinawa, Japan on an accompanied basis. We propose to start out very gradually, and modestly increase this up to approximately 24 or 25 percent over the long period. This, we believe, will give us additional stability for the forces out there as well as additional efficiency.

Presently, a large portion of our force in Westpac, Okinawa and Japan, is on a unit deployment basis so that the battalions or squadrons deployed are on a 6-month rotation. We do not intend, of course, for these people to be accompanied. They would continue to go out for 6 months and then return to their home stations.

This is a very modest program in its inception and it will build up to, as I indicated, about 24 percent of the force.

Senator **Jepsen**. It is my understanding that your tour on Okinawa, which is kind of SOP, is somewhat detrimental to retention, or felt to be in some areas and so on. Is that one of the reasons that you——

General **Miller**. That is one of the primary reasons, yes sir. We have, compared to the other services, a larger percentage of people that are on these unaccompanied tours. We have the bulk of our people on Okinawa in this category, however, our plan is to reduce that and provide some stability to the family.

Senator **Jepsen**. Could you provide for the record, please, the number of accompanied billets that are there now in the Japan, Okinawa, and how many additional ones you hope to create, and what additional facilities would have to be built in Japan, Okinawa to accommodate the additional dependents?

General **Miller**. Yes, sir.

MARITIME SUPERIORITY

Senator **Jepsen**. General O'Malley, the Navy has clearly stated its intention to seek maritime superiority over the Soviet Union. What is our overall air power objective or strategy? Do we hope to achieve superiority or parity with the Soviet Union?

General **O'Malley**. We have aimed at achieving air superiority in the battle area. We recognize that we are unable and will be unable to achieve numerical superiority over the Soviet Union. To make up for the difference in quality of our aircraft and the quality of our air crews, we are very confident that if you support us with the same quality aircraft that you have been supporting us and we support the people with the same quality of air crew that we are turning out today, that we will continue to achieve air superiority in the battle area.

INCREASING THE AIR WING

Senator JEPSEN. General O'Malley, the Air Force plans to increase its current 36-wing fighter force to 44 wings by fiscal year 1990. Would you please supply for the record the description of the mix, the Active Reserve and National Guard wings that will be formed to achieve this goal, and also if possible, where these additional wings would be located?

General O'MALLEY. We certainly will. We will provide that for the record.

[The information follows:]

AIR FORCE STRUCTURE GROWTH

The current 36 wing force has the following mix. The Air National Guard has 690 aircraft or 9.6 Tactical Fighter Wing equivalents (Tactical Fighter Wing equivalent=72 aircraft). The Air Force Reserve has 180 aircraft or 2.5 Tactical Fighter Wing equivalents. The active force has 1,728 aircraft or 24 Tactical Fighter Wing equivalents. A fiscal year 1990 44 wing force could have the following mix. The Air National Guard would have 818 aircraft or 11.4 Tactical Fighter Wing equivalents. The Air Force Reserve would have 246 aircraft or 3.4 Tactical Fighter Wing equivalents. The active force would have 2,104 aircraft or 29 Tactical Fighter Wing equivalents.

The additional wings would have the following tentative locations. The Air National Guard would have unit conversions to fighters at Dannelly Field and March Air Force Base. One additional unit would be added at a yet to be determined location. The Air Force Reserve would have two unit conversions at Luke and Richards Gebaur Air Force Bases. The active force would add one squadron at Clark, Hill, Ramstein, and Seymour Johnson Air Force Bases; two squadrons in undetermined locations in the Pacific; and three squadrons at Shaw Air Force Base and three squadrons at an undetermined location(s) in the United States.

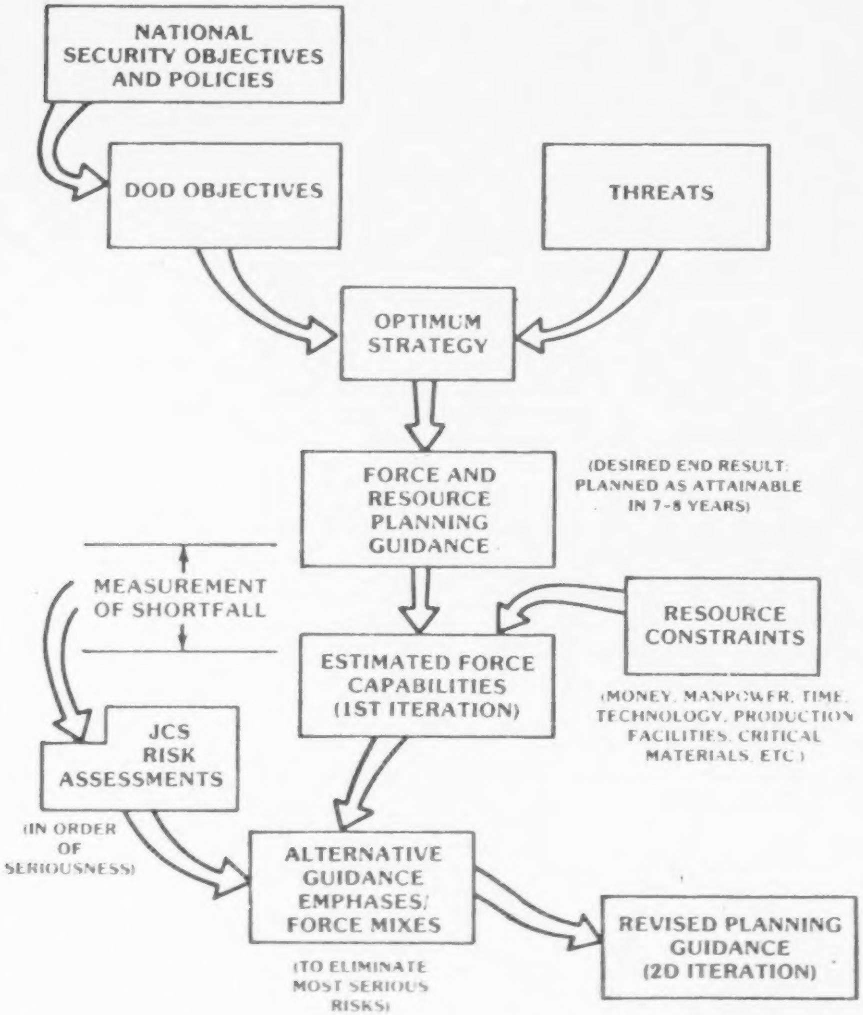
Senator JEPSEN. Thank you. Senator Nunn?

Senator NUNN. Thank you, Mr. Chairman.

Secretary Ikle, let me send to you a little chart that was in the defense posture statement and ask staff to give it to you. That was in Secretary Weinberger's posture statement, so you can follow along with me.

[The chart follows:]

(U) THE DEFENSE PLANNING PROCESS


NATIONAL SECURITY OBJECTIVES AND POLICIES
DOD OBJECTIVES
THREATS
OPTIMUM STRATEGY
FORCE AND RESOURCE PLANNING GUIDANCE
(DESIRED END RESULT: PLANNED AS ATTAINABLE IN 7-8 YEARS)
MEASUREMENT OF SHORTFALL
RESOURCE CONSTRAINTS
ESTIMATED FORCE CAPABILITIES (1ST ITERATION)
(MONEY, MANPOWER, TIME, TECHNOLOGY, PRODUCTION FACILITIES, CRITICAL MATERIALS, ETC.)
JCS RISK ASSESSMENTS
(IN ORDER OF SERIOUSNESS)
ALTERNATIVE GUIDANCE EMPHASES/ FORCE MIXES
(TO ELIMINATE MOST SERIOUS RISKS)
REVISED PLANNING GUIDANCE (2D ITERATION)

1. REALLOCATION OF RESOURCES AND/OR
2. FURTHER PRIORITIZATION WITHIN PLANNING GUIDANCE AND/OR
3. INTERMEDIATE OBJECTIVES IN FORCE AND/OR RESOURCE GUIDANCE FOR MID-TERM ONLY

The chart, Mr. Chairman and Senator Exon, reflects the overall defense planning process, and it has a series of titles in it, and I am trying to understand it. First of all, I am trying to plug in names of people—positions rather than actual names of people—into each one of these levels.

It starts up at the top, because this is how our whole force structure evidently evolves, national security objectives and policies, and then that shows a little line going to the next part of the chart called DOD objectives. Then that flows into the box in the center called optimum strategy. And on the righthand side is the threats that plug into that optimum strategy. So the first breaking point or the first converging point in the chart is called optimum strategy.

NATIONAL SECURITY POLICY AND OBJECTIVES

Mr. Secretary, could you tell us who the national security objectives and policies come from?

Dr. IKLE. That comes from the national security cluster in the administration, I would say with an important input from Congress.

Senator NUNN. Who is in that national security cluster?

Dr. IKLE. The national security cluster—and that is a name I just made up—is the State Department, Defense Department, National Security Staff, and the National Security Council.

Senator NUNN. Would that come together in terms of a planning document for the National Security Council?

Dr. IKLE. It can be a more formalized national security document or it can be a less formalized process in that the objectives are articulated by the President, the Secretary of State, the Secretary of Defense.

Senator NUNN. Do we have a document in this administration that reflects national security objectives and policies as such, or has it evolved more or less orally?

Dr. IKLE. It has evolved more or less a combination of documents. We do have a document in the Defense Department, the "Defense Guidance," which has a section on national security objectives.

Senator NUNN. Now going down to the next box, DOD objectives, what group of people come together to formulate DOD objectives?

Dr. IKLE. That is simply the subset of the national security objectives for which DOD contributions to the instruments are available. Diplomacy would be a State Department instrument. Or if you want to do something in diplomacy, that would be not a DOD objective.

Senator NUNN. Is that in the form of a document?

Dr. IKLE. It is really, I think, not a separate document. It is really a subsection of the national security objectives, written for example in the "Defense Guidance," that emphasize the things, the objectives to which DOD can make the primary or the sole contribution.

Senator NUNN. Now how about the optimum strategy? Where does that box come in? Who makes that optimum strategy?

OPTIMUM STRATEGY

Dr. IKLE. The development of the preferred strategy is a cooperative process between the Office of the Secretary of Defense (OSD) and JCS.

Senator NUNN. Is there a document on that and if so, what is it called?

Dr. IKLE. There is a strategy section in the "Defense Guidance."

Senator **Nunn**. So "Defense Guidance" really sets forth the DOD objectives, reflecting the national security objectives and policies that you have received, and also has a section on——

Dr. **Ikle**. On strategy, right.

Senator **Nunn**. So really all three of these boxes on the left, and of course it takes into account a threat, come together in what's called the "Defense Guidance"?

Dr. **Ikle**. As far as the written document is concerned, that is where it is all together.

Senator **Nunn**. It is called the "Defense Guidance"?

Dr. **Ikle**. "Defense Guidance," right, issued annually. What these arrows and boxes indicate is really more the intellectual sequence. You look at the threat and then——

Senator **Nunn**. Right. Now that "Defense Guidance," I am sure that in toto it is a classified document?

Dr. **Ikle**. It is; yes.

Senator **Nunn**. Is there an unclassified version of that?

Dr. **Ikle**. I would say there is an unclassified reflection of major parts of it, and that is in the first section of the posture statement.

Senator **Nunn**. So the posture statement would contain the closest thing we would have to an unclassified——

Dr. **Ikle**. Would be the best unclassified reflection of that.

Senator **Nunn**. All right. Tracing down, Mr. Secretary, the next box has "Force and Resource Planning Guidance." That says out to the side, if I can read this, "desire to end result plan is attainable in 7 or 8 years." Could you tell us what that "Force and Resource Planning Guidance" is, what kind of document is reflected there?

Dr. **Ikle**. Again, so we will not repeat ourselves, I think as far as the document is concerned, the written text reflecting the thoughts indicated in these boxes is in the "Defense Guidance," all in one document. But the idea of this chart is really that with a sense of strategy, you then have to look at what forces you can marshall, what you can have now and which ones you can have in 7 to 8 years.

The assessment of that is made by the services and by research and engineering in the Defense Department and M.R.A. & L.

Senator **Nunn**. I am trying to separate this intellectual process from the budget. It seems to me that up to right here, we have not really gotten into a budgetary document. We have gotten into a Defense Guidance that then becomes the focal point from which the budget emerges; is that right?

Dr. **Ikle**. That is right. As you get the Force and Resource Planning Guidance, then, of course, you are beginning to anticipate, or you are in a sense constrained by the fiscal guidance in the budget.

Senator **Nunn**. All right. Then you have on the right side, resource constraints. That is money, manpower, technology, production facilities, critical materials, and so forth. That plus in. You have estimated force capabilities.

Is there a document that reflects that next box in the middle called estimated force capabilities?

Dr. **Ikle**. Again, one document that reflects that would be part of the Defense Guidance.

MEASUREMENT OF SHORTFALL

Senator NUNN. *All right. Then over on the left you have the chart* showing measurement of shortfall. I assume that shortfall is the shortfall—what kind of shortfall is that?

Dr. IKLE. It is the assessment of the risks of the danger we confront, given the fact that we cannot have the forces that would give us complete margin of safety in the timespan that we are looking at here, given that our adversaries have become so strong.

So in a way, we have a shortfall in Central Europe, a shortfall in Southwest Asia, a shortfall in strategic deterrent forces.

Senator NUNN. All right. Is that where the Joint Chiefs of Staff take this Defense Guidance and look at the resources that we have and are likely to have in that time span, as measured by the Defense Guidance, and then come up with a risk assessment?

Dr. IKLE. Yes.

Senator NUNN. Is that the Joint Chiefs that do that?

Dr. IKLE. The Chiefs have a primary role, as indicated here, in assessing the risks and then really it depends on an analysis of combat situations and campaigns. That is, of course, the responsibility of the Chief, yes.

Senator NUNN. Now that is a separate document, it is not, from the Defense Guidance?

Dr. IKLE. It is really not contained in a separate document or a separate section. It is an input that is used in the discussions in the DRB, Defense Resources Board, for making what is the next block, the adjustments to the first duration of the projected forces.

Senator NUNN. So that after the Defense Resources Board—who is on that Defense Resources Board?

Dr. IKLE. The Defense Resources Board is Secretary, Deputy Secretary, the two Under Secretaries, Assistant Secretaries, the Chairman, and the Service Secretaries.

Senator NUNN. Chairman of Joint Chiefs?

Dr. IKLE. Right.

Senator NUNN. How about the other members of the Joint Chiefs? Are they on that?

Dr. IKLE. They are present there. They are not actually members.

Senator NUNN. But they are part of it, ex officio more or less?

Dr. IKLE. Ex officio present. We are also inviting, at least at the beginning of the cycle, the CINC's.

Senator NUNN. At the beginning of the cycle?

Dr. IKLE. At the beginning of the planning process, each year.

Senator JEPSEN. I didn't catch that. You are inviting who?

Dr. IKLE. The Unified and Specified Commands, theater commands.

Senator NUNN. Like Gen. Bernard Rogers in NATO?

Dr. IKLE. Which has been introduced in the last year and which we find very valuable.

Senator NUNN. I think that is valuable, and I think they are left out of the budget process entirely too much.

Dr. IKLE. We have moved in the direction of bringing them in.

Senator NUNN. I think that is good. So that JCS risk assessment, wouldn't that be, to the extent that is a formalized document, wouldn't that be what is known as the Joint Strategic Planning Document, the so-called JSPD?

Dr. IKLE. No, that is a document that reflects an expanded force structure. In a way, it is the benchmark that indicates in some rough sense the shortfall between having a fully satisfactory capability that can meet all the reasonable risks and the capability that we can anticipate, given our budget and our timing.

Senator NUNN. What are you saying? What was that definition you just gave applicable to?

Dr. IKLE. It is the benchmark.

Senator NUNN. But what are you defining there? Is that the Joint Strategic Planning Document that you have just defined?

Dr. IKLE. Yes, the document referred to, the Joint Strategic Planning Document. That does not spell out the risks. It does not say there is a certain likelihood of——

Senator NUNN. But that indicates that is a report from the Joint Chiefs. It indicates the difference between strategy and resources, does it not?

Dr. IKLE. No, it does not. It is a document that indicates a force structure, a larger force structure, which is particularly meaningful, for example, for the emergency situation where you would expand the forces in time of mobilization or war.

Senator NUNN. What then do the Joint Chiefs submit at this box over here on the left?

Dr. IKLE. The risk assessment on that box reflects another input, as I mentioned before, which essentially is the input in the discussion in the deliberations of the Defense Resources Board.

Senator NUNN. There is not a document there?

Dr. IKLE. They may have some internal documents and memos on specific subjects, but I am not aware of a single document.

Senator NUNN. From my conversations with the Joint Chiefs, it has been my impression that they felt that the JSPD was, indeed, the Joint Chiefs' input into this very chart right here, and that it did represent this block on this chart.

Dr. IKLE. Well, the force structure in there is really not different aspects of risk. One is the kind of forces you would want to remove risk or to diminish it. The other one is an assessment of the various risks you have, like the likelihood of conflict in Southwest Asia, how it would evolve, what kind of resources you need, whether you need more mobility to cope with that.

Senator NUNN. I do not want to go into details. I am trying to get the concept here. It was my understanding, and perhaps some of our other witnesses can give their opinion on this, but it was my understanding that the JSPD, as we have heard that term, really was the Joint Chiefs' input, after receiving this Defense Guidance, as to the resources that would be required over the next 7 or 8 years to basically implement the guidance, the Defense Guidance that they have received through this process.

Now is that right or wrong? It either is that document or it isn't.

Dr. IKLE. It moves on a somewhat separate basis. It is not a direct statement of the risks entailed, given the strategy and the posture that we can afford with our budget.

Senator NUNN. All right. Let's forget what it is, but just is that the Joint Chiefs' input as it is shown on this chart?

Dr. IKLE. It is one input. It is not the only input.

Senator NUNN. What other kind of input is there?

Dr. IKLE. The most important——

Senator NUNN. So it is a part of the Joint Chiefs' input into this block, as shown on the planning chart?

Dr. IKLE. The most important input——

Senator NUNN. Let me ask—I am trying to get an answer. Either that document is or it is not part of the Joint Chiefs' input into this chart, which is the planning process as supplied by the Department of Defense. Is it or is it not a part of that input?

Dr. IKLE. As this chart is conceived, the input there is really the participation of the Chairman in the DRB, the Defense Resources Board, the input from the Joint Staff in the rewriting and reformulation of the Defense Guidance, which moves separately from that other document.

Senator NUNN. That other document then is in no way——

Dr. IKLE. It's not that closely coupled.

Senator NUNN. So it is not part of the Joint Chiefs' risk assessment?

Dr. IKLE. It factors into their work in assessing the risk, but it is not that closely comparable.

Senator NUNN. Well, would it be fair to say, and I am trying to get this right, would it be fair to say that the JSPD is a portion of but not the entire Joint Chiefs' input into this part of the planning process?

Dr. IKLE. It is a document that contributes to the overall work of the Joint Chiefs in assessing the risk and the factors of the strategy and the resources.

Senator NUNN. Well then it is a part of this?

Dr. IKLE. Well, like many of the JCS documents, in that sense it is a part. There are hundreds of important documents that bear on this process, but you may want to have a picture of how a document relates to a complicated annual process. It depends on where you sit. You may want to have the view from somebody at the JCS.

Senator NUNN. There is a gap between our strategy and resources, but there is an even larger gap between what the civilians at the Department of Defense and this administration think of that document and what the Joint Chiefs themselves think of it. I have never seen such a large gap.

Dr. IKLE. I do not think there is a gap in what we think about it, how it is used, how it flows into the overall contribution of the JCS. And you must keep in mind, Senator, that the Joint Chiefs or JCS staff participates in the Defense Guidance process and DRB throughout the year. OSD and JCS staffs work on this together every week.

Senator NUNN. General Miller, your statement for this hearing says:

> The CINC inputs are then used by the JCS to develop planning force levels that will give reasonable assurance of successfully accomplishing the national military strategy. This reasonable assurance force, developed in consultation with the

Services, is contained in the Joint Strategic Planning Document, JSPD, which is the JCS' primary input to the Secretary of Defense for the development of his Defense Guidance.

Now we have just heard Secretary Ikle say that this is one of hundreds of inputs that the Joint Chiefs make, and we have heard him say that—I can't quite figure out yet whether he is saying it is part of this risk assessment or not. Obviously your statement indicates you think it is a very important JCS document, inputting into the overall planning process; is that right?

General MILLER. Yes, sir, and it depends on what part of the process you are talking about. I was speaking in the statement of this being sort of the up-front part that goes in at the beginning of the development of Defense Guidance.

JOINT PROGRAM ASSESSMENT MEMORANDUM

Now if you get down further along, there is a second JCS document called a JPAM, Joint Program Assessment Memorandum, which assesses the risks of the program that comes out at the end against that which would be, in the views of the Chiefs, required.

In other words, there is an assessment made separately from the JSPD which is the forces that would be required for reasonable assurance of success.

Senator NUNN. Right, but the JSPD is developed by the Joint Chiefs after they have received the Defense Guidance; is it not?

General MILLER. No, sir. It is a part, presumably, of the input to the development of the Defense Guidance. It is in the process.

Senator NUNN. So JSPD then goes into this process before this Defense Guidance evolves downward. Is that what you are saying?

General MILLER. Yes, sir. It is at the early end in the development of the annual Defense Guidance.

Senator NUNN. How do the Joint Chiefs, if they haven't gotten guidance from the Security Council and from the President of the United States, how do they know what they are planning against, to develop a JSPD? I thought we had civilian basic control in terms of the threat, in terms of the overall guidance. I thought the Joint Chiefs looked at this and developed the JSPD after they received the general broad direction from the Commander in Chief.

General MILLER. This is advice to the civilians. I do not think that the civilians have control of the threat, and this is based upon the threat, the input from the Commanders in Chief of the Unified and Specified Commands and the judgment of the Joint Chiefs as to those programs that are required for reasonable assurance of success. This then inputs into the Secretary of Defense for his utilization in development of the Guidance.

Senator NUNN. Well, on this chart we have alternative guidance, and it comes out at the very bottom righthand corner, revised planning guidance.

Now I had thought going in, and I want this clarified, that JSPD really was the Joint Chiefs' input in the whole process, before the bottom line was formed but after the Defense Guidance from the top had evolved, and that that second document you just referred to—I can't remember the acronym. What do you call that?

General MILLER. JPAM.

Senator NUNN. JPAM was something that came in on this part of the chart.

Dr. **Ikle**. I think, Senator, we should not put too exclusive an emphasis on the piece of paper, on a document. I think the particular value of this process is the interaction of the senior officials, the chairman, the theater commanders, the Secretary, the Deputy Secretary. The written documents are part of the process, but they are not the only process.

Second, you ask about starting without guidance. The last guidance is always there and what you have is an annual revision thereof.

Senator **Nunn**. Let me just ask this, getting away from the chart, because I still am not quite sure of how the chart fits into the actual documents. Maybe it is a very vague concept but General Miller, and I will ask each of your counterparts this, you say in your statement on page 2 that:

> This reasonable assurance force developed in consultation with the Services, is contained in the Joint Strategic Planning Document, JSPD, which is the Joint Chiefs of Staff's primary input to the Secretary of Defense for the development of his Defense Guidance.

So what you are saying is what do you call a reasonable assurance force? Is that the force that is required to implement the strategy of the Nation as the Joint Chiefs understand that strategy?

General **Miller**. With reasonable assurance.

Senator **Nunn**. With reasonable assurance. But you start with the national strategy, do you not, in order to get to a reasonable assurance force?

General **Miller**. Yes.

Senator **Nunn**. Admiral Trost, what do you understand the JPSD to be?

Admiral **Trost**. I think one thing we are missing here is something that Dr. Ikle started to say. JSPD development is an iterative process. One doesn't start with ground zero each year. There is an assessment by the Joint Chiefs of Staff based on a strategy, a national strategy, a national aim, based on a threat which is evolving but does not start from scratch.

And based on those factors in any given year, one can structure a force which itself is not going to change markedly on an annual basis.

Now the force that we and service program planners subsequently structure is a constrained force, constrained by resources and whatever guidance constraints might be issued in the annual——

Senator **Nunn**. Do you or your counterparts have an input into this JSPD?

Admiral **Trost**. Each service does.

Senator **Nunn**. When you work this up, what do you start with as the national strategy?

Admiral **Trost**. I would defer to one of my colleagues. I am one of the two people here who is not involved in the joint process.

Senator **Nunn**. What is the national strategy on which you make this JSPD? I am not asking in substance, but where do you get that guidance? General Richardson?

DEFENSE GUIDANCE

General **Richardson**. The strategy comes from the previous year's Defense Guidance. In the last year, the fiscal year 1983–87 Defense

Guidance was one significant basepoint from which the JCS built their JSPD for this past December.

Senator **Nunn**. So it is fair to say that you do start with the Defense Guidance, but it is last year's Defense Guidance rather than the next year's Defense Guidance, and the JSPD is a reflection of last year's that is input into this year's?

General **Richardson**. That is right. The JSPD for this year was published 1 September. It was an input to the process of the Defense Guidance, which has been ongoing for the last 3 or 4 months. Now recognized annually, each year the CINC's provide input to the JCS. The JCS perform a supporting analysis of the CINC input. That analysis produces a minimum risk force. The minimum risk force is looked at by the JCS and a planning force is developed. The planning force is the force which is carried forward in the JSPD. The JSPD is an input into the Defense Guidance.

Associated with that is an analysis done by the JCS called the total force capability analysis, which is a way of looking at certain scenarios, looking at the reasonableness of the program force as to whether it is robust, what its risks are, and to give some identification in quantifiable terms of that risk in various scenarios. The decisionmakers can then understand that if you don't use the planning force, and you use something less, you have some idea of what that risk might be.

Senator **Nunn**. All right, Mr. Chairman, I will yield now and come back.

Senator **Jepsen**. No; this is very interesting. I am nearly lost. I am interested to see what is going to happen.

Senator **Nunn**. Nearly lost implies that you are ahead of me. I think I am beginning to understand this now but I was very much lost when you said a minute ago, you said or implied that the Defense Guidance did not input into the JSPD because if the Joint Chiefs are supposed to sit down and come up out of the blue with no guidance at all as to what the course of the country is going to be—but you are saying that it is last year's that is the starting point, and this is the input to this year's.

General **O'Malley**. May I make one comment? In addition to that, we of course have representation on all the interagency groups that are making the recommendations on the national strategy to begin with. It is an iterative process, to get the Guidance from the President and go from there.

The second comment I would like to make is I have read your questions on this in previous testimonies, and the JSPD is as valuable as you think it is. In the case of the witnesses here today, three of us spend a lot of time working on it, so we think it is a brilliant piece of work. [Laughter.]

Senator **Nunn**. I would assume that you get distressed when you are told, then, that it gets 30 seconds of deliberation and then goes into the ashcan? That would not be a very comforting thought, would it, General?

General **O'Malley**. No, sir.

Senator NUNN. Well then, when was the last JSPD issued? When was the last one? What was the date of it?

General RICHARDSON. I believe it was the first of September 1981.

Senator NUNN. Of 1981. Now which Defense Guidance was that based on? Was that based on a Defense Guidance that had——

General RICHARDSON. The Defense Guidance of fiscal year 1983–87, which was published last summer.

Senator NUNN. All right. Was that Defense Guidance a Reagan administration Defense Guidance, or was that a Carter administration Defense Guidance?

Dr. IKLE. It was the Reagan administration Defense Guidance produced on a foreshortened schedule. Normally the whole cycle takes place in a year. In this case it was in 4 or 5 months.

Senator NUNN. All right. When is the next Defense Guidance going to be issued by the Reagan administration?

Dr. IKLE. Shortly. It is completed and pending final decision and final review.

Senator NUNN. And when is the next JSPD going to be issued? Would it come in the fall?

General RICHARDSON. It will probably follow the same timeframe, after we go through the CINC's input process this summer.

Senator NUNN. Let me ask just a few more questions and then I will complete this line of questioning.

General Richardson, in that JSPD, and if any of this asks for classified information then what I would request, Mr. Chairman, is that when we complete the open hearing, we defer the questioning and maybe have 5 minutes of closed hearing and we can do it today. So if this does ask for a classified answer, then I would respect your view on that.

ARMY DIVISIONS

General Richardson, how many Army divisions were included in the JSPD document for the current 5-year defense plan to carry out the strategy handed down in the Defense Guidance, on which this JSPD was based.

General RICHARDSON. The number is classified; however, it is greater than the current force.

Senator NUNN. Active?

General RICHARDSON. A combination.

Senator NUNN. And that is compared to what we have now?

General RICHARDSON. Yes; the current force is 24 divisions—16 Active and 8 National Guard.

Senator NUNN. Compared to 24? How many divisions will the Army have at the end of the current 5-year defense plan, as it now is?

General RICHARDSON. It's 16 plus 10. Two National Guard divisions will be added by combining six separate brigades and adding their necessary division base.

Senator NUNN. So that is 26, 16 plus 10? Does that mean that after 5 years, the budget we now have projected for 5 years, if nothing is cut, you will still be short of what General Miller has termed the "reasonable assurance force"?

General RICHARDSON. That is correct.

Senator NUNN. Admiral Trost, how many Navy carrier battle groups were included in the joint strategic planning document of the current 5-year defense plan to carry out the strategy?

Admiral TROST. The number is greater, and there is some question in my mind as to whether or not that number is classified.

Senator NUNN. I will defer to closed session. The number would be greater?

Admiral TROST. The number would be greater.

Senator NUNN. How many tactical fighter wings were included in the joint strategic planning document for the current 5-year defense program, to carry out the strategy outlined in Defense Guidance?

General O'MALLEY. Considerably greater than the 40 we have in our budget. And again, if it is classified, I will furnish it later.

Senator NUNN. It is greater?

General O'MALLEY. It is greater.

Senator NUNN. So all of you are saying, even with the increases in defense budget that we now have, that we are not at the end of 5 years in this budget going to have what General Miller has called a reasonable assurance force. Is that the Air Force view?

General O'MALLEY. That is correct.

Senator NUNN. Army view?

General RICHARDSON. Yes.

Senator NUNN. Navy view?

Admiral TROST. Yes.

Senator NUNN. Marine view?

General MILLER. Yes.

Senator JEPSEN. We are not?

Senator NUNN. Not.

U.S. MILITARY INVESTMENTS

Now finally, Mr. Secretary, on page 3 of your statement, and I quote, and you are talking about, in the context of the overall U.S. military investments, you say on page 3:

> That is a bleak outlook, implying either a further deterioration in our security or a need for a defense increase considerably steeper than what the administration now proposes.

Now those are very, very significant words, and it seems to me that implies that you also agree that even after 5 years, with the increases we have, you are still not going to have a reasonable assurance force.

Dr. IKLE. You are right. There is a connection between those words and the matters we were just discussing in that whatever adjectives you choose—reasonable assurance force or a force that gives you a comfortable margin of security or whatever—we are not able to move there, given the projected continued Soviet military buildup.

Maybe our intelligence projections of the steady increase in the Soviet arsenal may be too pessimistic, and they may be too pessimistic in particular because the Soviet economy may be in some trouble. And it is for that reason that the Secretary put so much stress in his testimony, his opening testimony, on the importance of controlling the flow of resources from the West to the East so that we make it more feasible to have a reasonable assurance force, a more feasible option than arms control.

Senator NUNN. Isn't it also fair to say that your statement that I have just read, that "it is a bleak outlook, implying either further deterioration in our security or a need for a defense increase considerably steeper than what the administration now proposes," wouldn't it be fair to turn that around and say that a defense increase considerably steeper than what the administration now proposes is necessary or we will continue, even during this 5-year period, to experience a further deterioration in our security?

In other words, that this 5-year defense program, even with the increases we have, still will see a continued deterioration in our security; and in another way of saying it, the gap is getting larger, even with this defense program?

Dr. IKLE. This, of course, talks about the gap in investment of the same arms, the accumulation that is continuing in the Soviet Union in buying tanks, missiles and aircraft.

Senator NUNN. Is it fair, then, to say that even with this 5-year defense program the Reagan administration has proposed, that we are going to continue to have a deterioration in our security? That is what you are saying as I read it.

Dr. IKLE. In that context, in the sense that the Soviet Union, as we projected in our intelligence assessment, will invest more in arms than we can.

Senator JEPSEN. Would you yield?

Senator NUNN. Yes.

Senator JEPSEN. Is this single criteria what you are basing the statement on, a comparison of investment, whether it be total dollars or rubles or GNP or whatever it is?

Dr. IKLE. Indeed, Mr. Chairman, it is not. There are broader efforts. There are the geostrategic assets: Our bases, our work with our allies and friends in the Middle East and Central America, the extent to which the Soviet Union can improve its geostrategic assets by reaching out, by encroaching on additional neighboring countries.

As explained by the Secretary of Defense, the larger picture depends not only on the accumulation of arms but also the trends in the geostrategic assets—bases, allies, for us and for them.

ASSESSMENT OF THE SOVIETS

Senator NUNN. It seems to me that the three things that can change, the three or four things, one is our assessment of the Soviets. That could be pessimistic. If that one is accurate, what they are going to do, then the resources going in could be changed. Theoretically we could have a lot more resources going in. Or third, we could take another whole look at our strategy.

The first one is beyond our control, except as we assess it. We cannot control what the Soviets do. We might move in one way or the other. The resources, based on everything I hear in the Congress and the country now, the maximum resources for the next 5 years that can possibly be looked at as available for defense are, I think, short of a war, in this defense budget the Reagan administration has proposed.

So I think it is fair for anyone to say, and I believe everyone would agree we are not going to get more resources in the next 5 years than President Reagan is now proposing. And that leads to the question: If the Army, Navy, Marine Corps, and Air Force, all here this morning, and certainly you too, Mr. Secretary, in your statement, are agreeing that even with the next 5-year defense plan we still are not going to have a reasonable assurance force, then it seems to me we had better go back to the drawing boards on the strategy.

Dr. IKLE. Senator, that is precisely what we have been working on. It is for that reason, seeing that there is a shortfall, that we are revising the strategy and revising it as the Secretary of Defense explained to you. It is for that reason that we put greater emphasis on mobility. It is for that reason that we are moving away from trying to use expenditures for mirror imaging of strategic forces that are not survivable, and cost money.

If we could afford it easily, it would be nice to have additional missiles just to have the appearance of parity. It is not a worthless thing to have. It is of value. There are certain things of value which we have to give up and focus on the most important ones.

It is because we have in this situation a shortfall—with this continuing accumulation of military assets on the enemy side—that we put so much emphasis on the capability to mobilize quickly. That will help diminish the difference, if our forces can be ready first. It is for that reason that we put the emphasis on being able to respond realistically to warning, let us say respond to ambiguous warning, so that we are ready first and can deter the attack, even though our forces in numbers of planes and tanks may be smaller.

Senator NUNN. General Richardson, let me ask you one other question. Was there a significant increase in the requirement or strategy as outlined between the last year of the Carter administration Defense Guidance and the first year of the Reagan administration Defense Guidance? I am not talking about resources now, but I am talking about your beginning point in putting together the JSPD. Was there a significant difference in strategy? In a closed session I will get the details of that.

General RICHARDSON. I would prefer to discuss that in closed session.

Senator NUNN. Mr. Chairman, I thank the indulgence of the chairman. I felt that this is a prelude to everything we are doing in the defense budget, and I want to thank each of the witnesses and Dr. Ikle for being very candid in your answers this morning. It is the area that Congress does not concentrate on and the area we should concentrate on. We get so bogged down in details and weapons debates that we do not go to the heart of the question. That is, what is it this country is trying to protect, and what is our strategy to protect it? That is the part that we ought to be focussing on.

So thank you, Mr. Chairman and Senator Exon, for giving me a lot more than my time. I appreciate it.

Senator JEPSEN. Is it understood. Senator Nunn and Dr. Ikle and the panel, that before we finally adjourn here, we will have just a few minutes of closed session? Is that what you understand, Senator Nunn?

Senator NUNN. A closed session, just briefly. I did not ask General Miller, but I want to get the same answer from General Miller of the Marine Corps.

Senator JEPSEN. We will do that, then, and the question now is should we go immediately to that or do you have anything more in open session?

Senator EXON. Mr. Chairman, I have a couple of questions which I think can be answered in open session and if not, we will put them over.

CREDIBLE CONVENTIONAL FORCE?

I would like to ask both General Richardson and General Miller to respond to this question: Is our conventional force a credible deterrent when the pool of pretrained manpower which will augment this force in mobilization is half the size that the Army, and I do not know about the Marines, says is necessary? Do you think we can afford to wait until 1990 to solve this shortage, as the Office of the Secretary of Defense suggests? General Richardson, could you respond first?

General RICHARDSON. Senator, within the available resources that are provided, we try to structure the best balanced force, considering readiness and modernization. Both are important to the ability of an army. Over the years we have never been able to have the total resources to meet what we believe is the Army's portion of the Joint Strategic Planning Document which outlines the forces necessary to carry out national strategy.

So, I would have to say we are always trying to figure out how best to use the available resources to reduce the risks, keeping an eye on what we use in the way of structure and then what you do to fill that structure out with people and equipment. The Army's biggest problem today is the fact that the structure is hollow. We do not have enough equipment; nor do we have enough people for the existing Active and Reserve component units. Equipment and personnel would be the first order of business as far as we are concerned.

Senator EXON. So what you are really saying is that we are woefully short of meeting our manpower needs under the present plan? Is that true?

General RICHARDSON. That is correct. We need to get to the levels that we feel are appropriate, in both manpower and equipment. Equipment is the most significant part because it is dealing with current equipment, which we are short of, in order to modernize. The lack of equipment has more impact than the manpower. Although manpower is a problem, we are in a good market at the present time.

Senator EXON. General Miller, before you respond if you care to, I would just like to say that the number of Active Army and Marine divisions remains stable in this 5-year plan. How do you view that, and any amplification you would like to make on the response that General Richardson just gave me?

General MILLER. I believe your question originally was, is our conventional force a credible one, and I assume that would be in the total context of the Regular and the Reserve?

Senator EXON. Yes.

General MILLER. And speaking from the Marine Corps point of view, yes it is. There are always some things that you would like to have a few more of, but we have worked very hard on the integration of the Reserve with our Active Force, and in utilizing them in the case of a callup for national emergency for augmentation, for reinforcing or for forming other units, depending upon the situation at the time. And we have used them to, in essence, fill holes in our sustainability while still maintaining the capability within our Regular Forces to respond immediately to a crisis. We, of course, have, within our IRR, a substantial pool of people that we can pull in for replacements in time of conflict.

MODEST PERSONNEL INCREASE SOUGHT

So while we still lack some elements, we are satisfied with our progress in both our Regular Force and the Reserve Forces. We are planning for some very modest increases over the period of this next 5 years.

Senator EXON. Thank you. As I understand it, the number of Active Army and Marine divisions remains stable through the 5-year plan—and I would insert here that you all know that General Meyer, the Army Chief of Staff, was quoted in the press last fall saying we needed two new divisions of Active Force and two new divisions of National Guard by the end of the current 5-year plan—we are just adding two additional National Guard divisions.

In that context, and with regard to the Active Forces, does this mean that there are no plans to expand Active Duty conventional land forces during the next 5 years? Are there any plans in the 5-year plan to increase the size of the Army? Without any increases in the basic Army force structure, one use of these additional men that we indicated would be to fill the gap that we have right now that General Richardson referred to a few moments ago.

My bottom line question is basically this, and I think we are concerned on the committee: How good a job are we doing in meeting our conventional force manpower needs during the unprecedented national security buildup in the next 5 years? It seems to me that we are wanting. Can you give me some enlightenment as to why my fears are not justified?

General RICHARDSON. Yes, sir, our problem in the Army is that we have to fix what is broken right now to our satisfaction before we can commit those 24 divisions. In order to be fully ready, the force structure and the equipment must be there and those divisions must have the manpower requirement.

This is not the case right now. We know that. It has been that way for some years.

We would prefer to follow generally a priority of readiness, modernization, and sustainability, and solve those problems before we expand our force structure. As you expand the force structure you are increasing manpower requirements. You are building a large base upon which you have to have more equipment, and with the shortages we have right now, especially in regard to the Reserve components, we cannot afford to increase our Active Force structure.

In the next several years we are looking at trying to put even more of the Active Force structure requirements and divisional units in the Reserve components in order to solve the equipment problem and the manpower authorized allowance problems in the Active Force. The objective is to get them to a point where they are close to 90 to 100 percent manpower and equipment fill.

This is the reason why we had to back off the two active divisions that were considered in the program last year.

Senator **Exon**. Then is it fair to say from your answer that the program for the next 5 years, in your opinion, will essentially allow you to increase the readiness, to fill the gaps in manpower and equipment that you have now under your present assignments, but probably do little if anything for increases in those areas?

General **Richardson**. Our program will improve readiness, modernization, and sustainability, and we have purposefully not wanted to increase force structure except to increase the numbers of combat service support units that underlie the 24 divisions. In the current 5-year plan, we will make some improvement. All of our problems will not be solved even by 1987.

Senator **Exon**. General Miller?

General **Miller**. As I indicated in my earlier statement, we are generally satisfied with the progress we are making, both with regard to the Regular Forces and the Reserve Forces. There are some modest increases during the period of this 5 years that we are now looking at, 1983–1987. That does not mean that we are all the way there, but generally speaking our Active Forces, a high percentage of them are combat ready, meaning they are ready to go to war today.

The Reserve Forces are in pretty good shape from the standpoint of personnel, and with a reasonable amount of time and training could move right in and fill in the blank spots.

Senator **Exon**. Well, thank you, gentlemen. One last question, Mr. Chairman.

RAPID DEPLOYMENT FORCE

From what I understand from your questioning, you are pretty well satisfied with the 5-year plan. I would like your perspective on how you see the much-talked-about RDF and how that might detract or take away from some of the missions you presently see that you are responsible for.

General **Richardson**. I think the building of the RDF makes sense and becomes better balanced by moving toward providing Active component combat service support units to meet the needs of the RDF. The Army portion of the RDF increases from 2⅓ to a higher level in fiscal year 1987. Currently about 27 percent of the combat service support is in the Reserve components. We would like to have all active, so it could be moved very quickly.

The other problem which of course is exacerbated is that when you make the RDF all active component—until we can get the right sort of balance to support the NATO requirement for combat service support in the active component—you will have to bank on earlier increased Reserve component participation in combat support units for NATO. There are some problems associated with that because of the time required for callup and to meet certain deployment needs. We cannot meet the deployment needs that we would like to have, even today.

So, on balance, from the standpoint of the RDF, our problem is not so much the fact that we are not building toward satisfying these needs. We are, but we crucially need the airlift-sealift to move that force and make it credible. And that of course is proceeding in the program, but there are still shortfalls in moving that force.

Senator **Exon**. Thank you. Thank you, Mr. Chairman.

Senator **Jepsen**. I would like to, for the record, express my thanks for the excellent statements that we had. I appreciate your candor—that is the name of the game. I hope we can all continue with that.

Dr. Ikle has to leave at 12:30 and the other panel members, I am advised, can stay. At this time the subcommittee will stand in recess for 3 minutes while the room is cleared because we will be discussing classified information.

Senator **Nunn**. Mr. Chairman, before we break up, I join you in expressing to the witnesses, and I know Dr. Ikle probably has a tight schedule. I am just going to get into the details of this JSPD, and I would be asking my own questions primarily to the service witnesses. So if Dr. Ikle needs to leave, I certainly would not want to——

Dr. **Ikle**. I may be able to stay for the beginning.

Senator **Jepsen**. All right. Can the room be cleared?

[Whereupon, at 12:25 p.m., the subcommittee recessed, to reconvene in closed session.]

EXECUTIVE SESSION

Senator **Jepson**. Senator Nunn, you may proceed.

Senator **Nunn**. Let me ask Dr. Ikle one question and then I know he has to go. Dr. Ikle, you participated in formulating the strategy, and we have gone through this whole process which I will not repeat. I will not try to get to every element of it, but what do you feel were the fundamental changes in strategy that the Reagan administration adopted upon coming into office? In other words, the difference in the Reagan administration strategy in the broad context from the Carter administration strategy, as reflected in the Defense Guidance that we have heard is the basis for the JSPD?

Dr. **Ikle**. First maybe I should stress that there are obviously continuities, and may be in total much larger than the changes.

Senator **Nunn**. I am looking for changes.

STRATEGIC FORCES

Dr. **Ikle**. Just to put it in perspective, the continuities are our NATO commitment, and a great many other continuities.

The changes in the strategic forces are things that I alluded to: Deemphasizing the peacetime indicators and emphasizing sustained survivability of the nuclear strategic forces for deterrent purposes, not to stress the possibility of limited nuclear war but to deny the aggressor the prospect that he could with a surprise attack disable our forces. That is on the strategic side. I think that is pretty well understood.

Senator **Nunn**. So survivability and sustainability increase?

Dr. **Ikle**. As strategic nuclear forces.

On conventional forces, we recognize that the notion of a short war is not something on which we can reliably plan, particularly since our adversary has the capability for sustained prolonged combat. On the other hand we do not—even within the 5-year program, and that gets back to the shortfall we discussed in the open session—have the means, the prospect of closing that gap entirely. Indeed, in some ways it is still widening.

Therefore, we have to seek additional ways of deterring conventional attack, or coping with it should deterrence fail. One of those is an emphasis on counteroffensive, so we can hurt the Soviet Union in other areas where they are vulnerable. The details of that [deleted] get into contingency planning. We wouldn't want to discuss these here, even in this closed session.

Senator NUNN. You do get into details, though, in your planning, do you not?

EFFECT OF UNCERTAINTY

Dr. IKLE. [Deleted.] The important instruments are there—they range all the way [deleted] to recognizing ways for further undermining the cohesion of the Warsaw Pact in the event of war and so forth. And also to create a great deal more uncertainty for Soviet planners. Since we are in some ways behind in strength, in overall strength, we have to take advantage of the deterrent effect of uncertainty.

Further, a greater recognition that the aggression that would threaten our most vital interests in the alliance may indeed not come where we have most of our forces, in Central Europe, but may outflank us.

Further, what I mentioned earlier, the emphasis on using our improved readiness in combination with improved planning for realistic response to warning. We have to recognize that warning, in most historic instances, did not come as a very clear signal that we were about to be attacked in 3 weeks, but always with ambiguities, requiring a great deal of critical judgment as to what the response should be.

If you have only one particular response that is inappropriate for cases of uncertainty, you are just as likely not to respond at all. As we are preparing and have been working on this with our NATO allies, as we are preparing responses that can be sustained for a long time—until the ambiguity has been resolved—we can enhance our readiness to better deter potential attack.

These are some of the elements. There are others. The very important one is that which you mentioned yourself, Senator, an effort to improve the capability of our industry to expand defense production in an emergency or during a limited war.

Senator NUNN. In a very general sense, Dr. Ikle, which of those incremental changes to the Carter administration strategy have broad resource implications in this 5-year plan? Which of them really begin to drive resources in this 5-year budget?

Dr. IKLE. None of them drives resources massively, except, of course, readiness, and that in a way was already an accepted objective in the previous administration. But improved readiness, of course, does take a lot of resources and fits precisely into our newer emphasis on being able to respond to all kinds of warnings so that before the attack takes place you can actually still deter it.

Senator NUNN. Most of the improved readiness in the 5-year plan was needed to implement the old strategy?

Dr. IKLE. Yes, even if you had relied on a more narrow type of warning, where you either go for all-out mobilization or you do not go at all. Now there are resources needed [deleted] at different fronts, not necessarily the front on which there would be the attack, and to some extent the augmentation of our naval capabilities serves that purpose. [Deleted.]

We do have expenditures in the budget for improving industrial mobilization capability, running into several hundred million dollars. It is not gigantic, when seen in the entire budget, but it is significant.

An important measure which requires almost no resources is the planning for responding to warning.

LONG-WAR STRATEGY

Senator NUNN. How about long wars, shifting to more of a long-war strategy, and how much of the resources—not in detail, but is that——

Dr. IKLE. Well, in a way, the sustainability category would address that. But, of course, a different way of looking at this is not that we have a preference for long war, but that we want to deter the Soviet Union from using its forces in the hope that they can outlast us and then dictate the peace terms or surrender terms, however they would see it.

Senator NUNN. All right. I know you have to leave. That is the main question I wanted to ask you, Dr. Ikle. I will shift to the other witnesses.

General Richardson, can you compare for me, as far as the Army is concerned, the major change in strategy, as you see it from your perspective, between the Carter administration and the Reagan administration? You have heard Dr. Ikle describe it as he sees it. How do you describe it in terms of the main impact on the U.S. Army between Carter and Reagan?

General RICHARDSON. Yes, sir.

Senator NUNN. Again, I am not talking about resources. I am talking about the strategy.

General RICHARDSON. From our view I see it as composed of six elements. We have touched on some. First is the willingness to use force to confront an adversary. We think there is a willingness in this administration to use force or to give indications of a willingness to use force.

The second is an expanded global capability to deal globally with Soviet projection of forces.

Senator NUNN. Is that the same thing as putting the Soviet forces at risk in other parts of the world? Is that the same thing you are talking about there?

GLOBAL FORCE PROJECTION

General RICHARDSON. Yes, plus developing our capability for more global force projection, as well as flexibility of forces to be employed in any number of places around the world.

The third part is protracted war—or a war of an indeterminate length.

The fourth point is one Dr. Ikle mentioned earlier; namely, readiness based on ambiguous warning, which means force readiness has to be heightened for immediate deployment.

Fifth is burden-sharing. We think there has been more in terms of working with allies to get them to support us, as well as for us to support our allies in their security assistance programs.

Finally, and it does not impact upon the Army, except in respect to resources, is the improvement of strategic command control and communications systems to assure that the strategic nuclear force is survivable.

Senator NUNN. General O'Malley, can I ask you the same question about the strategy as changed between the two administrations? Which parts of that strategy do you believe have the most effect on the Air Force? Then I will ask the other two witnesses.

General O'MALLEY. Well, I agree with everything that Bill has said, and we discussed that in operations deputy meetings, which we participate in frequently. I think the feature of it that most impacts the Air Force, will impact the Air Force in the 1980's, is the simultaneity of it, simultaneity of a worldwide commitment, rather than a sequential commitment, in recognition that in order to have the ability to respond simultaneously worldwide, you obviously have to have more force.

The strategic area speaks for itself.

Senator NUNN. Thank you. Admiral Trost?

WORLDWIDE ROLE

Admiral TROST. I would have to echo what General Richardson has said in terms of the basic changes that have taken place. In terms of the impact on the Navy itself, it has been the recognition of the worldwide role we have played for many years and more importantly, the recognition of the fact that those naval forces were stretched rather thin. That recognition drives the increased force structure thrust which we have seen in the current Defense Guidance and in the statements of our leaders.

More importantly, I think from our standpoint, is the need—across the board—for all of us to recognize the considerable underfunding of readiness and sustainability of those forces for more than a decade.

Senator NUNN. That really applied to the old strategy or the new strategy.

Admiral TROST. That is right—both strategies—and it is that recognition, however, which I think has the greatest near-term impact both on our demand for our allocation of resources, and also on our readiness to do the job.

Senator NUNN. Thank you. General Miller?

General MILLER. I can add very little Senator Nunn, other than to echo what they have said. But to me, as a marine, it meant a degree of recognition of that which we have stood for—readiness, capability, versatility; and I think just the fact that now we are looking at things on a global, mobile basis, as opposed to previously looking at a few fixed areas. That has been a change.

JSPD DOCUMENT

Senator NUNN. Thank you. Now the next question which I also ask each of you, and General Richardson, just so we will have some continuity here, would you just summarize what you said in open session about the gap between the JSPD document and the 5-year defense plan as it pertains to the Army force structure?

General **Richardson**. Yes, sir. In the JSPD, we have always been able to justify in our minds a planning force of [deleted] divisions and the associated full combat support and combat service support that underlies the logistical and training base. That force has been described as being composed of [deleted] active divisions and [deleted] Reserve component divisions. That, as compared to what we end up with at the end of the program period—[deleted] active and [deleted] Reserve component divisions.

Senator **Nunn**. All right. A followup question there: Was the [deleted] division JSPD something new after the Reagan strategy came in in 1981 or was the [deleted] division force structure requirement the same under the previous Guidance, under the Carter administration?

General **Richardson**. It was [deleted] from the previous Guidance. Every year that we conduct various sets of analyses that provide the input to the JSPD. The force structure that figure [deleted].

Senator **Nunn**. Does that mean, then, there were [deleted] on force structure between the Reagan administration strategy and the Carter strategy as it pertained to the Army?

General **Richardson**. No, sir. For force structure, the [deleted] but in terms of filling out that force structure with equipment modernization, the Reagan administration's effort seemed to be in agreement that we needed to solve that readiness and modernization problem.

Senator **Nunn**. But the force structure of the U.S. Army [deleted] in terms of the JSPD between the Reagan strategy and the Carter strategy?

General **Richardson**. That is correct.

Senator **Nunn**. General O'Malley?

General **O'Malley**. I know you are aware, Senator, we are organized differently than the Army. They must have a structure that they can fill to once mobilized. On the other hand, we have no forces in the Air Force or the Air Force Reserve as being substantially less than combat-ready. We are aiming to make all of them C–1 combat-ready.

But our force structure under this year's JSPD was [deleted] tactical fight wings, as compared to the 40 in the FYDP and 44 through the planning year 1990.

Senator **Nunn**. Both the 44 and the 40 relate to the 5-year plan and the budget realities and the [deleted] relates to the JSPD?

General **O'Malley**. That is right. The 40 relates directly to the 5-year plan. If we add 3 years, we get up to 44 and if you look at the JSPD right now, we would say we require [deleted].

Senator **Nunn**. All right. How much increment was there between the last JSPD you did under the Carter administration, reflecting that strategy, and the JSPD you did under the Reagan administration, reflecting that strategy?

General **O'Malley**. I am sure I have that number. [Deleted] but I do not have it off the top of my head.

Senator **Nunn**. Could you furnish that for the record?

General **O'Malley**. I certainly will.

Senator **Nunn**. But your impression would be that the changes in strategy do not impact the force structure appreciably? Would that be fair?

General O'MALLEY. I would say that the initial changes—there is [deleted] difference. However, if you start with a strategy that is looking at the threat worldwide and the threat increases worldwide, increases in force structure are going to be markedly sharper.

Senator NUNN. But you are saying that the JSPD [deleted] in force structure?

General O'MALLEY. The first time around, that is true.

Senator NUNN. Do you think it is going to change this time around?

General O'MALLEY. In my opinion, I think it will [deleted] this time around for each of us.

Senator NUNN. For your Air Force and for each of the other services?

General O'MALLEY. Yes.

Senator NUNN. General Richardson, do you think we are going to see a change in the JSPD this time around reflecting the strategy in terms of Army force structure?

General RICHARDSON. Senator, it is very likely it will happen as a result of the analysis and gaming we did on Southwest Asia. In terms of the divisions that we say ought to be there, [deleted] is what we say is a required number. And if in the total analysis that is added in, it may well be that [deleted].

Senator NUNN. In next year's?

General RICHARDSON. Yes, sir.

Senator NUNN. So you are really describing the first JSPD and Secretary Ikle described the first defense guidance being put together in a brief time, and you are, I suppose, reflecting the first year's cut, but it is not necessarily the longer cut that may come this year, based on the change as you see it?

General RICHARDSON. That is right.

Senator NUNN. Admiral Trost?

Admiral TROST. The major force level difference between the JSPD forces and our current force levels or our current force structure are in the area of carrier battle groups and nuclear attack submarines. As you know, our near-term force structure goal is [deleted] carrier battle groups. There will be the major elements, next month, of 13 battle groups with the commissioning of the *Carl Vinson* (CVN-70). The JSPD goal is [deleted] the nominally *Midway*-sized carrier which would serve as an adjunct to one of the other battle groups.

Senator NUNN. You have [deleted] in the 5-year budget?

Admiral TROST. [Deleted] is our long-term goal. In the 5-year plan we achieve a level of [deleted] at the most, with [deleted] being the goal.

Senator NUNN. Are you talking about a smaller deck carrier?

Admiral TROST. I am talking about a combination of [deleted] of a so-called CVV class, which was a nominal 60,000-ton design.

Senator NUNN. So you have [deleted] total carriers in the JSPD?

Admiral TROST. That's right, and in the nuclear attack submarine force the difference is something more than [deleted] larger, in terms of the JSPD force, and of course along with this are the supporting ships and the accompanying combatants that would make up part of the carrier battle group.

Senator NUNN. Thank you. Now can I ask you the same question about how much the new strategy of the Reagan administration added to that JSPD, compared to the previous years?

Admiral TROST. I could not answer. I do not think there was any major change or any significant change in NATO forces in that time frame because the naval force levels were based on a more global requirement, even under the earlier structure. The forces were deployed so widely that I don't believe there was a significant change. And I would suspect that the change in naval force structure to accommodate the new guidance might be somewhat less than we might see, for example, in Army and Air Force.

Senator NUNN. Do you anticipate in this next year's JSPD that your force structure is going to have to go up in your planning, or are you saying it is going to go up less than probably the Air Force and Army? Or are you saying you think it is going to be pretty constant?

Admiral TROST. If I gave you any opinion, it would be personal, and I would like to supply for the record what the people who do what these gentlemen normally do would answer.

Senator NUNN. Fine. For the record would be fine. But your general impression is that the Navy probably won't increase under the next JSPD as much as——

Admiral TROST. There might be some increase, but it might be less than General O'Malley refers to as the likely increase, in tactical air forces, land based.

Senator NUNN. Thank you. General Miller?

General MILLER. The JSPD force for the Marine Corps was [deleted] marine amphibious forces [deleted] Carter to the Reagan administrations. The current force is four marine amphibious forces, three active and one reserve, and that remains constant.

To address the issue of what would I expect for the future, I would [deleted] in the Marine Corps forces. That is not to say that I would not work with my colleagues with regard to maybe an overall change of some of the other elements of the Armed Forces, but I think Marine Corps mission tasking and so forth probably would not dictate a change in that [deleted] arrangement.

Senator NUNN. So we are more likely [deleted] in the JSPD for the Army and Air Force than we are for the Navy and Marine Corps in the next go-round?

General MILLER. I didn't comment for the Navy on that. I said I would work with the others with regard to the allocation, Navy being one that might change.

Senator NUNN. I was taking Admiral Trost's statement and yours and combining them into one. I understand the sensitivity there. [Laughter.]

Let me ask one more question here now. As I understand it, the JSPD has, and maybe this is wrong, but do you have three force levels in the JSPD? Do you have a minimum risk force, a prudent risk force, and—let's say those two. Do you have both of those, or is the document designed for one set of risks that would be called prudent risk?

General O'MALLEY. We used to have a prudent risk. If I recall, we used to have a prudent risk force in JSPD. We do not have that any more. We have what John called a reasonably assured force, reasonable assurance of success force.

Senator NUNN. Is that about the same thing as what used to be called the prudent risk force?

General O'MALLEY. Yes.

MINIMUM RISK FORCE

General RICHARDSON. As I mentioned earlier, there is the JSPDSA, the joint strategic plan document strategic analysis, which is the baseline on which the JSPD is built. That does have what is called a minimum risk force, and then from that you go to the planning force. The planning force is the force that is ultimately in the JSPD and is a force of reasonable assured success. The minimum risk force is a higher level force, not described in the JSPD.

Senator NUNN. So you have a planning document that reflects the minimum risk force, from which the JSPD is evolved, but when your JSPD finally does evolve, it is then what you call——

General RICHARDSON. It is a greater risk.

Senator NUNN. But you move from a minimum risk force, which is the highest level force structure, to a prudent risk force or reasonable assurance?

General RICHARDSON. That is right. It goes down. Then you go down to the program force.

Senator NUNN. Well, one other question. Of course everyone knows there is a document that leaked in the paper, I suppose it was a JSPD document, and somebody got dollar figures assigned to that. Do you assign dollar figures to the JSPD document?

General RICHARDSON. Yes, sir. The JSPD planning force is costed by service input so that there is a reasonable representation of the JSPD force stated in dollar terms.

Senator NUNN. Was that $750 billion an accurate figure that was in the paper?

General RICHARDSON. It was a combination of several factors that the Office of the Secretary of Defense put together, part of which was input from the JSPD which described the difference between the JSPD force and what was a reasonable program force. Other portions added to the JSPD force to get to that $750 billion—provided by, that was done in the Office of the Secretary of Defense—included inflation, growth assumptions, and programed force shortfalls.

Senator NUNN. What was the JSPD dollar amount that went into that $750?

General RICHARDSON. I believe that was [deleted] billion, plus or minus.

General O'MALLEY. Originally it was [deleted] and after we looked at it very carefully, it is more like [deleted].

Senator NUNN. Then they added other factors like inflation to it?

General RICHARDSON. Yes.

Senator NUNN. Does the JSPD force price it out over a period of years in then-year dollars, or does it do it in constant dollars or both?

General RICHARDSON. No; it was constant fiscal year 1983 dollars and was over the 5-year period. The figures were all related to the 5-year period.

Senator NUNN. What was the $750 billion as opposed to the [deleted]?

General RICHARDSON. It was adding on those other factors such as additional requirements, inflation, and programed shortfalls, such as modernization that wasn't considered by the JCS. All of that totaled $750 billion.

Senator NUNN. What would the $750 billion represent? What is the best description of that?

General RICHARDSON. Well, it can be characterized as the total difference over a 5-year period between the current force level, and the JSPD force. This includes the other things that one would normally have that would increase to get you to the end of that 5 years, if you bought the JSPD force. It also includes the OSD add-ons to insure for inflation, and modernization cost growth and what was underpriced in the earlier calculations. So that is why there was the difference—I do not know what the individual figures were.

Senator NUNN. How would you describe the [deleted] because that is the one that really was in the JSPD? How would you describe that figure?

General RICHARDSON. That figure I would describe as the difference between the current force and the JSPD force over a 5-year period. if you were to fund the JSPD force including all you would normally need to field the force.

Senator NUNN. Now would that be in then-year dollars or constant dollars, that [deleted].

General RICHARDSON. I believe it was then-year, and if I am wrong I will correct it for the record.

General O'MALLEY. I will read you the assumptions for the planning: Fiscal years 1984 through 1988 in FYDP dollars, compiled from service estimates based on a fiscal year 1983 OS budget deflator, and they reflect executable programs only. So you can obviously wiggle them quite a bit, just by a different kind of inflation assumption.

Senator NUNN. Right. Does the [deleted] in that document, how would that compare to the previous figure in the previous document, JSPD, which would have been a Carter administration—it would have been a JSPD that was developed under the Carter administration, but not a Carter administration figure as such. Do you know what that figure was?

General O'MALLEY. I do not know what the figure was but my expert tells me that our number of wings [deleted] in between the last one and this one.

Senator NUNN. Would there be a similar figure for the JSPD that was previous to this one?

General RICHARDSON. I do not know because I am not sure there was a DRB requirement to pull all that in, but I am sure it was costed. We could supply that.

Senator NUNN. Could you furnish that for the record? I think it would be helpful to have the JSPD figure for the last 4 or 5 years, if you could furnish that for the record, in classified form.

I am trying to get a point of reference here. I am trying to determine whether this gap between guidance and resources is getting larger or whether it is getting smaller. That is the sense I am trying to come to. To do that we are going to have to have that other figure. Could you get that for us?

General **Richardson**. Yes, sir.

Senator **Exon**. Thank you, Senator Nunn.

Gentlemen, two quick questions and I think we can wind this up in a hurry. We appreciate your patience.

MANPOWER PAY

First, I do not suppose this is classified, but since you are here I would like to ask a question. This committee has been very concerned about manpower pay. In the two recent bills that we were successful in getting passed by the Congress, we tried to address retention, particularly of senior noncommissioned officers in the services that you represent.

I know that you are all somewhat familiar with this, but I would particularly like to ask General Tice and Admiral Trost how successful our pay policy has been with regard to attracting back into the services more senior, most experienced, noncommissioned officers who left the service for one reason or another? Has there been any appreciable sign that the pay policy that we partially designed to attract them back has been successful?

General **Tice**. I would give you a resounding yes on that, Senator Exon. We have many war stories on successes and Admiral Trost has personal experiences of commanding the 7th Fleet at the time this last pay raise went through. The reenlistment rate of the careerists has jumped by 7 percent for second term enlistments in the Air Force and by as much as 14 percent in the Army and the Navy and we think that is substantial.

For the first time, the U.S. Navy now is predicting a narrowing of that gap, of the 20,000 shortfall in chief petty officers, albeit you know we try to guess what the economic conditions on the outside—I wish we were smart enough to figure that out.

But I have to give this committee credit for their perseverance in coming forth with that last pay raise, which we know very well narrowed the gap, plus the Nunn-Warner additions the year before, which help us reduce the skill shortages.

So we are receiving feedback now of a high level of confidence on the quality of the entrants coming into the services, too, and we think that is very encouraging.

Senator **Exon**. Admiral?

Admiral **Trost**. I want to make sure I understand your question. I think you were asking first of all about our ability to attract people back in?

Senator **Exon**. Partially, it is not only retention.

Admiral **Trost**. It is a combination.

Senator **Exon**. I had gotten the impression that we had been successful with these two last pay-raise bills, very successful, with regard to retention. We are delighted to know that.

I am particularly curious as to whether or not we have been successful in attracting the right kind of people back in who have left for one reason or another.

Admiral **Trost**. The answer is a very definite yes. Your perception of being successful with those last pay raises, and in our case the sea pay which went into effect over a year ago, is correct; the impacts of those actions were just dramatic.

We have in the last year attracted back into the Navy about 1,000 people per month average with prior service. Of that number, as I recall, about two-thirds are immediately assignable to operational units without further training. Now that clearly saves a tremendous amount of money in both training and subsequent recruiting.

INCREASES IN RETENTION

In addition to our normal considerable increases in retention of both first term and career personnel, what has helped us especially in the experience level, in reducing our shortfall of experienced petty officers, has been the fact that the current pay measures have enabled us to retain many people, retirement eligible, who would otherwise have left the service. They are staying on longer, and we are the beneficiaries of their expertise.

I think it is fair to say that, in addition, we think sea pay and pay issues in general have been responsible for the fact that we have people requesting extensions at sea who are not also retirement eligible, people who would normally be assignable to shore duty. And in addition, we have more people requesting assignment to sea duty as a guaranteed reenlistment incentive. That is just a totally dramatic turnaround, and it is those factors that give us confidence in our ability to man the force that we project.

Senator EXON. Thank you, gentlemen. I would just like to jar your ingenuity a little bit more, as we look to the future. It seems to me that we may have to start looking down the line a bit on doing away with, or at least structuring, our pay and benefits to keeping people in the service longer than 20 years. I think basically we have gone maybe too long, too far with the old concept that after somebody was 40 years of age we didn't really need them in the service anymore. I presume that was based on the days of yesteryear when no one was very good at carrying a rifle up a hill very fast when they got to be 40 years of age.

We had a dramatic change, as you know, and I would suggest that you start thinking about some constructive ideas along that line to extend the anticipation of service after we get people trained. That is another matter, but I thank you for your comments.

TITAN MISSILE

My last question will go to General O'Malley because I believe that he is the one probably most involved in this. When I was at SAC headquarters in Omaha, as I am frequently, last month I received a very detailed secret briefing on all of the things the Air Force is working on. Included in that, General O'Malley, was a very extensive presentation by SAC about the work, the need, the improved safety requirements that have been initiated by the Air Force with regard to Titan missiles, and how vital the Titan missiles were to overall planning of the Air Force.

After the presentation was finished, I said I appreciated it very much. I asked the question: If the Titan is so good, do we need the MX? I was quickly assured with a lot of laughter that, well, it wasn't quite that good.

Now let me ask you the question I addressed somewhat earlier in open testimony. What rationale is there in your opinion for covering up the Titan holes during the time we are facing right now?

General O'MALLEY. It is a very close call. As an operator, it pains me to give up anything until I see the replacement on the ramp. In this case we are, but the decision was made in a context, and that context was the whole thing was very healthy for us if we are going to buy a B-1 bomber, to modernize the bomber fleet, followed by an advanced technology bomber. We are going to put 100 or 50 Minutemen IIIs into Minuteman II holes, which added about 100 warheads. And we were going to buy an MX missile.

Of course we were going to do a lot of other things, but those were the—and buy ALCM, air-launched cruise missile carriers, to go on B-52's and B-1's, and we were going to put a new warhead on many Minutemen IIIs, Mark 12A warhead.

In that context of doing all those things, it didn't pain me nearly as much as it would have otherwise to give up Titan. It was a money proposition, purely and simply. I would say money and safety. I believe the study that we did last November on Titan enumerated several hundred fixes to make sure that the Titan remained safe. Most of those will continue to go on through 1987 when we finally phase them out.

But from a deterrent view, as an operator, again it would pain me to give it up.

Your question early on in the session was if we are going to revisit some strategic decisions, would you also like to revisit the Titan decision? And if we are going to revisit such strategic decisions, I most certainly would. But given if we retain the context of the President's strategic package, then I think we can give up Titan. The deterrent aspects of Titan, I don't think there is any question about. It is perceived to be our biggest warhead. It is also our most inaccurate missile.

MINUTEMAN III

As a matter of fact, Minuteman III is about four times as accurate. Now the tradeoff between accuracy and megatonnage happens to be about four to one. That has nothing to do with the original four.

So if you can get more accuracy and you are willing to give up megatonnage to do it, then in the context of everything else I would say I think we can afford to give up Titan. If we are going to revisit the decisions, I think it prudent that the Air Force revisit the Titan one also.

Senator EXON. I guess we are right back on it. What I am saying is, given that we are going to go ahead exactly with the programs and plans of the administration and all the new weapons systems—MX, B-1B, and everything else, including the stealth and the technology related and associated therewith—given all of that, I guess I still cannot see why we would be moving at this stage, October of this year, to reduce our strength at a time when more and more warheads are being pointed at us and our allies now.

And the only rationale for that, as I can see, is that we could save about $100 million a year. Is there any other rationale?

General O'MALLEY. No.

Senator **Exon**. Not a very good rationale in my opinion, but I am not going to ask you to answer that question.

General **O'Malley**. Well, there is—if we go ahead with the phaseout over 5 years, some number of those safety fixes will probably not need to be done, and I don't know but maybe that is costed into the $500 million.

Senator **Exon**. It is.

General **O'Malley**. So I guess from a cost standpoint, $500 million would cover everything. There are those who still worry about having liquid fuel around in huge quantities, even though we have assured ourselves and the people who live in those areas that we can control it. Given that we had a terrible accident, there are still a lot of Americans who worry about that.

Senator **Exon**. I have no objection to moving them outside of the city limits of Tucson, Ariz., but as you well know, not all of our Titans are that closely associated with heavy metropolitan areas.

Gentlemen, on behalf of the committee, I thank you very much. You have been very informative, very forthcoming, and very helpful to us.

[Questions submitted for the hearing record with answers supplied follow:]

Questions Submitted by Senator Roger W. Jepsen

MARINE CORPS DEPENDENTS OVERSEAS (JAPAN AND OKINAWA)

Senator **Jepsen**. I understand that the Marine Corps is studying the possibility of allowing more dependents to accompany their spouses on duty in Japan and Okinawa.

How many accompanied billets are there now in Japan and Okinawa, and how many additional ones do you hope to create?

Could you describe the personnel problem that you hope to relieve by allowing more accompanied tours in those areas?

What additional facilities would have to be built in Japan and Okinawa to accommodate additional dependents?

General **Miller**. Presently on Okinawa we have 922 accompanied billets and 346 at MCAS, Iwakuni. We hope to increase the number of accompanied billets on Okinawa by 6,810 for a total of 7,732. Of this total number, we estimate that only 5,088 of the billets will be filled by married personnel requiring housing. At Iwakuni, the increase is 1,066 for a total of 1,412 of which 928 will require housing. These increases will be generally offset by like decreases in unaccompanied billets. We intend to implement the change in policy in a phased manner over an extended period of time. Over the next two years, we intend to increase the number of accompanied tours by only about 250 each year. The primary personnel problems that we hope to relieve by allowing more accompanied tours are in the areas of reduced personnel turbulence, increased billet continuity and increased unit stability. These factors, combined with higher morale, should increase overall combat readiness. To accommodate this program in its entirety, 3,827 new family units would have to be built in Okinawa, and 576 at Iwakuni. These new family units account for the major cost necessary to support this new policy. Based on current and programed funding for the Japanese Facilities Improvement Program, it would appear that all or most of this cost may very well be funded by the Japanese Government.

ROUNDOUT BRIGADES

Senator **Jepsen**. General Richardson, four Active Army divisions are currently "rounded out" with a National Guard brigade. The Posture Statement of the Joint Chiefs of Staff explains that by 1983 additional Active divisions will be supplemented by roundout brigades. Could you describe the Army's plans to expand its roundout program?

General **Richardson.** Fiscal year 1983 fiscal reductions imposed in August 1981 resulted in the Army's intention to reduce its Active force structure by two brigades in fiscal year 1983 and replace them with reserve brigades. In January 1982 additional manpower and funds were provided by OSD to retain those brigades, thus negating the necessity to increase the number of roundout brigades above the current four in fiscal year 1983. However, the Army does intend to increase the roundout program at company and battalion level, and is actively pursuing means to implement that plan during the mid-1980's.

2D INFANTRY DIVISION

Senator **Jepsen.** What efforts are underway to strengthen the structure of the 2d Infantry Division? In particular, how soon will desperately needed tactical signal units be added to our forces in South Korea?

General **Richardson.** The 2ID currently is a hybrid division as it has heavy division elements (2 armor and 2 mechanized infantry battalions) and light elements (3 infantry battalions). We are evaluating ways to modernize the division to the new organizational designs for heavy and light division elements. Tentative plans are to modernize the division retaining the hybrid organization and adding an increased combat capability by capitalizing on new equipment within the new battalion organizations. We plan to activate a tactical satellite company in fiscal year 1983 and a signal battalion during the mid 1980's—the first company of which will be activated in fiscal year 1985.

HIGH TECHNOLOGY DIVISION

Senator **Jepsen.** General Richardson, The Army Chief of Staff said the following in his posture statement about the force's need for flexibility:

"What we must seek, and what we do seek, is the evolution of a new force—light in weight, yet substantial in capability—the so-called high technology division which we are working on and hope to field initially in the mid-80s." How would the organization of this high-tech division differ from that of the traditional Army Division?

General **Richardson.** The developing High Technology Light Division (HTLD) design concept is quite different from the current Infantry Division. In the maneuver elements. The HTLD design has two ground maneuver brigades and an air attack brigade. The ground maneuver brigade consists of an Infantry Battalion with organic troop carriers, a Mobile Protected Gun Battalion and two highly mobile, helicopter transportable, anti-armor battalions. The Air Attack Brigade consists of three Attack Helicopter Battalions and one Combat Support Aviation Battalion. The present Artillery Brigade has been restructured into a Fire Support Brigade consisting of two towed 155mm howitzer battalions, an advanced technology indirect fire anti-armor guided missile battalion, a heavy mortar battalion and a rocket support battalion. In the Combat Support area the Division Engineer Battalion has been restructured and additional combat engineer companies will be formed and assigned to the maneuver brigades. This will provide these brigades with increased capabilities in mobility and countermobility operations and substantially improve their survivability. Changes are also being made in most of the other combat support and service support organizations to enhance the HLTD's sustainability and survivability.

These organizational concepts are going through a validation process which includes both manual and automated wargaming, field testing and data analysis. There is no guarantee on any of the validation outcomes and changes in the previously described design concepts should be expected.

Senator **Jepsen.** General Richardson, what specific kinds of equipment are you testing for use by this new kind of Division?

General **Richardson.** To clarify a point, the 9ID High Technology Test Bed is not conducting equipment tests. Their charter is to conduct concept testing to validate the operational employment, organizational structure, equipment mixes, the infusion of high technology, and the materiel needs of the developing High Technology Light Division. This validation process can result in the development of a requirements document formalizing a desired capability or materiel need.

In order to conduct this validation process generic types of surrogate equipment are being used to, as closely as possible, provide a desired capability. The areas of interest cover the entire spectrum of combat, combat support, and combat service support capabilities. The Army's objective is to produce a lean hard-hitting, sustainable, strategically deployable, and technologically enhanced light division.

Senator JEPSEN. How does this experimental division fit into the so-called "Army 86" studies? What other efforts are included in the "Army 86" project?

General RICHARDSON. The High-Tech Division is an outgrowth of Infantry Division 86 the light counterpart to Heavy Division 86 both of which are a part of the "Army 86" studies. The "Army 86" project also includes the special purpose divisions Airborne Division 86 and Air Assault Division 86, as well as echelons above divisions: Corps 86, Contingency Corps 86, Echelons Above Corps 86, and Echelons Above Contingency Corps 86, tailored to support the modernized division designs. The objective of the "Army 86" studies is to redesign current divisions and echelons above division to meet the battlefield requirements of the 1990's and optimize the efficiency of the equipment which will be fielded.

ARMY RESERVE

Senator JEPSEN. General Richardson, could you describe the effort that is now underway within the Department of Defense to improve the organization of the Army Reserve?

General RICHARDSON. The Army continually reviews the suitability of its structure and the capability it provides in meeting our wartime role. There have been several recent proposals, generated both internal and external to the Army Staff, regarding the management structure (both Active and Reserve) of the Army Reserve. These proposals, to include a proposal entitled "Reorganization of the Army Reserve (ROAR)," are being reviewed by the Army Staff.

While this review is ongoing it would be premature to state an Army position. If major restructuring actions result from the review, this and other appropriate committees will be informed of the Army's plan.

In the meantime, the Army continues to pursue courses of action which are designed to draw upon the capabilities of the Reserve Components, enhance their overall readiness, and further solidify the precepts of the Total Army policy. Major efforts are underway to develop a ramp which increases the Reserve Component Roundout Program. Our initial plans call for optimizing the utilization of Reserve Component units within active divisions, in areas in which they excel. Along with this increased reliance comes concomitant shifts in resource prioritization.

In addition we are improving the equipment status of the Reserve Components. The Annex to Volume II of the Force Readiness Report submitted to Congress by the office of the Secretary of Defense on February 12, 1982 describes distribution planned for the Reserve Components as a result of procurement and other distribution actions for the fiscal years 1982 through 1985. The equipment procurred by the fiscal year 1983 budget will be available for distribution two to three years later. That distribution is reflected in the report mentioned above. In addition to those items in the report, the fiscal year 1983 budget continues the initiatives begun in fiscal year 1982 to improve the tactical automated data processing equipment for the Reserve Components.

LABOR SAVINGS

Senator JEPSEN. Are the services realizing the labor savings that were promised as these new weapons are introduced into units in the field?

Answer. Manpower requirements are not substantially changing as a result of new technology systems that are being fielded. Obviously additional manpower will be required as functions such as command and control, are expanded or new capabilities are added. The Army, for example, is planning to introduce a large number of new systems (over 100) in the 1980's and this will probably require a manpower increase in the order of 20,000–50,000 men. However, the new systems have substantially more capability than the previous generation.

Also, new technology is being used in some cases to reduce or constrain operator and maintenance manpower skill and training requirements. There has been more successes with the operators, using technology to free them from much of the burden of operating the system. A good example of this is the AMRAAM missile which will have the capability of "fire and forget", freeing the pilot of most of the guidance functions.

On the other hand, maintenance skills to repair these new systems are in some cases increased as evidenced by increased training requirements. The overall thrust is to seek to reduce the maintenance skill requirements through technology such as in automatic test and diagnostics; however, the achievements thus far are mixed.

The positive results of technology applications can be seen in manpower required for new systems such as the Navy's F-18 fighter/attack aircraft and the Army's Patriot air defense system. For example, a 12 aircraft F-18 squadron will require about 50 less people than either a comparable squadron of the older A7E or F4J aircraft. A Patriot battalion will require about 100 fewer people than the improved Hawk battalion, the system it replaces. Incidentally, the Improved Hawk battalion has 4 systems per battalion while a Patriot battalion will have 6 systems and many more launchers.

Senator JEPSEN. How are the manpower requirements of a new weapon considered during its research, development, and procurement?

Answer. Manpower considerations are an integral part of the DOD acquisition policies process. In the DOD Instruction 5000.2, Major System Acquisition Procedures, we require that "Manpower and personnel factors, to include number, occupations, and skill levels of manpower required, shall be included as considerations and constraints in system design." The DOD policies on weapon system logistic support planning, reliability and maintainability, (DOD Directive 5000.39 "Aquisition and Management of Integrated Logistic Support for Systems and Equipment" and 5000.40 "Reliability and Maintainability") include more detailed guidance on the steps that should be taken in the acquisition process to consider manpower requirements. So does the new MilStd 1388 "Logistic Support Analysis" currently under major revision. These requirements include identification of manpower requirements on current systems, defining system reliability and maintainability parameters directly related to maintenance manpower costs, highlighting early any new skill requirements and development of plans for test and evaluation of adequacy of planned manpower.

AIR FORCE STRUCTURE GROWTH

Senator JEPSEN. General O'Malley, the Air Force plans to increase its current 36 wing fighter force to 44 wings by fiscal year 1990. Would you please supply for the record the description of the mix, the active Reserve and National Guard wings that will be formed to achieve this goal, and also if possible, where these additional wings would be located?

General O'MALLEY. We certainly will. We will provide that for the record.

The current 36 wing force has the following mix. The Air National Guard has 690 aircraft or 9.6 Tactical Fighter Wing equivalents (Tactical Fighter Wing equivalent=72 aircraft). The Air Force Reserve has 180 aircraft or 2.5 Tactical Fighter Wing equivalents. The active force has 1,728 aircraft or 24 Tactical Fighter Wing equivalents. A fiscal year 1990 44 wing force could have the following mix. The Air National Guard would have 818 aircraft or 11.4 Tactical Fighter Wing equivalents. The Air Force Reserve would have 246 aircraft or 3.4 Tactical Fighter Wing equivalents. The active would have 2,104 aircraft or 29 Tactical Fighter Wing equivalents.

The additional wings would have the following tentative locations. The Air National Guard would have unit conversions to fighters at Dannelly Field and March Air Force Base. On additional unit would be added at a yet to be determined location. The Air Force Reserve would have two unit conversions at Luke and Richards Gebaur Air Force Bases. The active would add one squadron at Clark, Hill, Ramstein, and Seymour Johnson Air Force Bases; two squadrons in undetermined locations in the Pacific; and three squadrons at Shaw Air Force Base and three squadrons at an undetermined location(s) in the United States.

QUESTIONS SUBMITTED BY SENATOR J. JAMES EXON

FORCE STRUCTURE REQUIREMENTS

Senator EXON. Since the number of active Army and Marine Corps divisions remains stable through the 5-Year Plan, does this mean there are no plans to expand our active duty conventional land forces during the next five years?

ANSWER. No. General purpose land forces in the Army increase in several nondivisional areas such as tactical support units.

CONVENTIONAL LAND FORCES

Senator EXON. Are there any plans in the 5-Year Plan to increase the size of the Army?

General RICHARDSON. Although we do not plan to expand the number of major combat units (such as divisions), the overall end strength of the Army will increase during the program period.

Senator EXON. Without any increases in the basic Army force structure, what would these increases be used for?

General RICHARDSON. Our program includes force structure increases to support new or modernized systems, the transition of heavy divisions to Division 86 designs, sufficient manpower spaces to raise the authorized level of organization of Army Rapid Deployment Force combat units to Level 1 or their wartime levels of organization. The program also includes activation of additional Active combat service support units, such as ammunition, water, medical, transportation, maintenance, and engineers, to deploy with the Rapid Deployment Joint Task Force. These additional units will increase the Active Army combat service support needed for the Rapid Deployment Force to about 65 percent by fiscal year 1987. The remaining 35 percent of needed support will continue to be provided by the Reserve Components.

PERSONNEL IN EUROPE

Senator EXON. Secretary Ikle, we currently have approximately 350,000 U.S. troops stationed in and around Europe. Is there any change in this level of U.S. military personnel stationed in Europe over the next 5 years?

ANSWER. Over the next 5 years, we have no plans for major changes in the strength of U.S. troops stationed in and around Europe.

Senator EXON. Is there any lessening of commitment on the part of this administration to the principle that American troops in Europe are a necessary element in defending the interests of the Western Alliance?

ANSWER. None whatsoever. We are committed to maintaining U.S. troops in Europe as a necessary element in defending U.S. and Allied interests.

NATO IN SOUTHEAST ASIA

Senator EXON. What role would our NATO allies play in a Southwest Asia contingency involving projection of U.S. forces into the area? Does our planning for the deployment of the Rapid Deployment Force in Southwest Asia assume any assistance from our NATO allies?

ANSWER. We are working to gain greater recognition among Allies that Persian Gulf oil is vital to Europe and that Allies need to cooperate in the overall effort related to improving security in Southwest Asia. We are encouraging Allies not only to pick up the slack in defense in Europe that may result from diversion of CONUS-based reinforcements to Southwest Asia but also to do what they can to improve security in Southwest Asia. The United States needs combat support and combat service support in Europe from Allies to replace support forces that might be deployed to Southwest Asia instead of to Europe. The United States also needs air and sealift support for forces that might be deployed to either theater. Enroute access to European transmit facilities will be an important factor in deploying forces to Southwest Asia, and we are developing arrangements for this support with our NATO Allies. In addition to political and economic relationships with countries in Southwest Asia, Allies can provide security assistance and training to local states. According to their capabilities, Allies can also cooperate in maintaining peacetime military presence in Southwest Asia and enhancing their capabilities for military operations in the event of hostilities. The NATO Allies are already providing some security assistance and military presence, and we are encouraging them to do more.

NATO DEFENSE SPENDING

Senator EXON. Over the past several years, there has been a great deal of controversy over what the proper levels of real growth should be in NATO defense spending. A level of 3-percent real growth was set several years ago, but we have not always been successful at getting our Allies to spend at that relatively austere level. A little over one week ago, General Rogers, Commander of the Allied Forces in Europe, said that the NATO defense ministers should set a real growth rate in defense spending of 4 percent per year as a goal for the period from 1983 to 1988. Have any of the NATO countries agreed to that level of commitment? What are the chances that they will?

Answer. General Rogers comments regarding 4 percent were an expression of his views and do not represent an agreed NATO commitment. Although we would of course welcome a higher real growth rate of defense spending, it is the 3-percent commitment which has been agreed to formally by the NATO Allies. We will continue to encourage all Allies to meet this commitment.

U.S. TROOPS IN KOREA

Senator **Exon.** Are there any plans to change the current level of U.S. troop presence in Korea over the next 5 years?

Answer. The President announced in February 1981 that there would be no further withdrawals of U.S. ground forces from Korea. There has been no change in that policy and we will continue to maintain a strong U.S. military presence on the Korean peninsula.

MARINE CORPS DEPENDENTS OVERSEAS (OKINAWA)

Senator **Exon.** The Marine Corps currently has a force of 23,000 stationed in Okinawa. Traditionally, this has been an unaccompanied tour of 13 months for Marines.

It now appears that the Marine Corps wants to change their long-standing policy and allow accompanied tours to Okinawa.

This change in policy would require significant increases for family housing, other facilities and moving expenses.

Has this change in policy been approved? How much will this change in policy cost? Are any funds requested in fiscal year 1983 budget to carry out this new policy?

General **Miller.** The change is presently being coordinated within the Department of Defense. Total costs and savings are being developed; it is probable that a large part of any increased costs would be for family housing funded by the Government of Japan under the Japanese Facilities Improvement Program. $5.6 million is budgeted in fiscal year 1983 for PCS costs associated with the increase in accompanied tours on Okinawa.

Despite these increased expenses there will be specific cost savings associated with reduced rotational moves. The primary efficiency associated with this policy change will be in the areas of reduced personnel turbulence, increased billet continuity and increased unit stability. These factors combined with higher morale should increase overall combat readiness.

Senator **Exon.** How many military dependents are currently stationed in Okinawa. How large would this dependent population be if we went to accompanied tours?

General **Miller.** Presently in Okinawa there are 835 accompanied Marines with 2,088 dependents. Additionally, there are 430 Marines with 1,075 non-command sponsored dependents.

It is estimated that the number of command sponsored Marine dependents would increase gradually to a total of about 12,700 when the change in accompanied tour policy is fully implemented. We intend to implement this policy in a phased manner over an extended period of time. Over the next 2 years, we intend to increase the number of accompanied tours by only about 250 each year.

This change in policy will have a major, positive impact on morale throughout the Corps. Fewer Marines will be separated from their families, and readiness of units in Japan, of units supported by Marines from Japan, and of the CONUS based Marine Corps will be enhanced as a result of the stability afforded by having more Marines on longer accompanied tours.

EVENTS IN CENTRAL AMERICA

Senator **Exon.** Secretary Ikle, has there been any change to our current military strategy and projected deployment of forces as a result of events in Ceneral America during the past year?

Answer. Neither our strategy nor force deployments have changed due to events in Central America over the last year. Our strategy is to provide the nations of the area the economic and military support necessary to defeat externally supported subversion and to eliminate the fertile ground such subversion finds in the weak economies of the region. The President's recent speech outlining his aid plan for the region outlined the fundamentals of our policy. We will provide economic aid to establish or reestablish viable economies in the nations of the region and we will provide enough military aid to insure that the economic programs undertaken have a chance to work without outside interference.

NAVAL FORCE IN CARIBBEAN

Senator EXON. What is the current level of our Naval forces operating in the Caribbean?

ANSWER. Specific level of U.S. Naval forces operating in the Caribbean cannot be stated with any degree of accuracy in that the force changes on a daily basis. The force level is governed by programed/scheduled events, i.e., training, exercises, support of operational missions, and other requirements. There were a total of [deleted] ships operating in the area on March 9.

Senator EXON. What level of forces do we currently have stationed in Panama under the Commanding General of USSOUTHCOM?

ANSWER. There are approximately 7,780 U.S. Army, 1,880 U.S. Air Force, 325 U.S. Navy, and 155 U.S. Marine Corps personnel assigned and under the command of USCINCSO.

U.S. TROOPS IN CENTRAL AMERICA

Senator EXON. Has there been any increase in the level of U.S. troops stationed in Central America in the past year? Are any increases planned?

ANSWER. No, there has not been an increase in the level of troops stationed in the area. We do have training teams temporarily assigned to various countries in Central America to provide training in response to specific requests from the host governments. These teams are provided under the IMET and FMS programs. Therefore, their numbers and locations can vary from year to year and country to country, depending on the needs and desires of the host governments.

A proposed realignment of military attaches within Latin America may cause a small increase in the number of military personnel assigned to Central America as part of this program. We are also studying increasing the size of the Milgroup in El Salvador from 6 to 9 or 10.

THREAT TO U.S. SHIPPING IN THE SOUTH

Senator EXON. What is the threat to U.S. or allied shipping from our neighbors to the south.

ANSWER. Cuban military ties with the Soviet Union, the Soviet presence in Cuba, including the presence of a large Soviet telecommunications facility, and the periodic Soviet air and naval presence pose significant military threats to U.S. security interests in the Hemisphere. Because of Cuba's proximity to vital sea lanes of communication, the Soviets or Cubans, in wartime, could attempt to interdict the movement of troops, supplies and raw materials in the Gulf of Mexico and Caribbean Sea and could strike key facilities in the area.

REOPENING NAVAL AIR STATION

Senator EXON. There has also been talk recently on reopening portions of the Naval Air Station at Key West to monitor activity in the Caribbean. Is there any money in the fiscal year 1983 budget proposal to allow for the reopening and restaffing of this base?

ANSWER. There is no money in the fiscal year 1983 budget for these purposes.

Senator EXON. How do these activities tie in with recent discussions of forming a new Caribbean Command and the possible basing of the headquarters at Key West?

ANSWER. There is no relationship other than the fact that Key West is a good location for the headquarters.

Senator EXON. What would be the relationship between a possible Caribbean Command and NATO?

ANSWER. There is no direct relationship. Caribbean Command is a subunified command which is under CINCLANT. CINCLANT is "dual hatted" and also serves as SACLANT for NATO. This organizational connectivity does not constitute a NATO relationship in a command sense.

Senator EXON. Secretary Ikle, in the past our force structure has been justified as needed for a 1½ war contingency, usually to include a NATO war and a less demanding emergency in Korea or perhaps elsewhere.

Now that we have expanded our vital interests to include the Persian Gulf area, how has that affected our planning? Are we now planning for one major contingency and two minor ones—a 1 and 2 one-halves war strategy?

ANSWER. We have always had vital interests in the Persian Gulf region. In the past however, we depended primarily on others, the British and then Saudi Arabia and the Shah of Iran to protect these interests. With the fall of the Shah and the Soviet invasion of Afghanistan the United States has had to increase its military capability to defend its vital interests in the Persian Gulf. We have established the RDJTF and have taken steps to strengthen our sealift and airlift capability to deploy forces to the area in a crisis. We have also made important strides in prepositioning stocks and improving regional facilities to assist peacetime deployment or a crisis surge of United States forces. However, in planning our overall defense effort we cannot assume that we should be prepared to fight "one and a half wars" or "two wars" or any other arbitrary tally of wars. Our planning must be based on much broader and more fundamental judgments of the risks and opportunities we might confront. We may be forced to cope with Soviet aggression, or Soviet-backed aggression on several fronts. Even if the enemy attacked at only one place we might choose not to restrict ourselves to meeting this aggression on its own immediate front. We might decide to engage the enemy in many places or to concentrate our forces and military assets in a few of the most critical areas. Our planning must be guided by the prospects for protecting our vital interests and winning the war. We cannot limit our planning in advance by defining the risk we confront as "one war" or "one and two-one halves war."

RAPID DEPLOYMENT TASK FORCE

Senator EXON. Secretary Ikle, I understand that General Kingston, Commander of the Rapid Deployment Joint Task Force, has proposed a permanent, forward deployed headquarters element for the Rapid Deployment Force in the Persian Gulf area.

What are the prospects for this proposal?

ANSWER. General Kingston, Commander of the Rapid Deployment Joint Task Force (RDJTF), requested on 1 October 1981 JCS assistance in identifying and obtaining an appropriate location within the region for the near-term establishment of a Forward Operating Element (FOE) for the Headquarters RDJTF. We have conducted a review of the Southwest Asia area to determine possible locations for an FOE and have come to the conclusion that, for political reasons, the prospects for this proposal are highly unlikely for the foreseeable future.

GROUND FORCES IN PERSIAN GULF AREA

Senator EXON. Does this administration favor the permanent stationing of ground forces in the Persian Gulf area?

How large a permanent force would this administration be willing to station on the ground in Southwest Asia?

ANSWER. Ideally, from a military standpoint, the stationing of ground forces directly in the Persian Gulf area would be a beneficial posture. Unfortunately, for the same political reasons that a HQ, RDJTF in the area is presently not feasible, the prospects for permanently stationing ground forces in the area is also unlikely. [Deleted.]

Senator EXON. What progress is being made on negotiations for basing rights for tactical air forces in the Persian Gulf area?

ANSWER. We have not sought basing rights for U.S. tactical air forces in the Persian Gulf. Rather, we have sought agreements for access to regional facilities during crises or for routine training exercises during peacetime. [Deleted.]

Senator EXON. What is the current level of our Naval forces in the Persian Gulf region? How many carrier battle groups will be deployed there during fiscal year 1983?

ANSWER. U.S. Naval Forces in the Persian Gulf/Indian Ocean region are as follows:

On the average, we have maintained about [deleted.]

In fiscal year 1983 [deleted]. However, future levels are under continuous review and examination and, of course, are subject to possible change depending upon the situation.

Senator EXON. Secretary Ikle, on February 12, Secretary of State Haig announced that talks will soon be held on a base agreement with Morocco. Would this agreement focus on contingent use of Moroccan airstrips and bases? Is there any plan to permanently deploy U.S. personnel in Morocco?

Answer. [Deleted.]

RDF IN FOREIGN COUNTRIES

Senator EXON. Could you provide a summary, for the record if necessary, of other agreements with foreign countries that would allow the projection of the U.S. Rapid Deployment Force into areas of conflict through use of existing bases and airfields?

Answer. The United States has no formal agreements with foreign countries that would allow, on a carte blanche basis, the projection of the U.S. Rapid Deployment Force into areas of conflict through use of existing bases and airfields. Although the United States has agreements with many Allied and friendly countries for access and overflight rights, none of these agreements provide unqualified guarantees that we could use facilities for any and every scenario. In general, each country reserves to itself the decision to approve or disapprove U.S. requests for access or overflight depending on its own national considerations at the time the request is made. This of course introduces an element of uncertainty into contingency planning, but one which realistically is unavoidable.

ARMY RESERVE

Senator EXON. General Richardson, could you describe the effort that is now underway within the Department of Defense to improve the organization of the Army Reserve?

General RICHARDSON. The Army continually reviews the suitability of its structure and the capability it provides in meeting our wartime role. There have been several recent proposals, generated both internal and external to the Army Staff, regarding the management structure (both Active and Reserve) of the Army Reserve. These proposals, to include a proposal entitled "Reorganization of the Army Reserve (ROAR)," are being reviewed by the Army Staff.

While this review is ongoing it would be premature to state an Army position. If major restructuring actions result from the review, this and other appropriate committees will be informed of the Army's plan.

In the meantime, the Army continues to pursue courses of action which are designed to draw upon the capabilities of the Reserve Components, enhance their overall readiness, and further solidify the precepts of the Total Army policy. Major efforts are underway to develop a ramp which increases the Reserve Component Roundout Program. Our initial plans call for optimizing the utilization of Reserve Component units within active divisions, in areas in which they excel. Along with this increased reliance comes concomitant shifts in resource prioritization.

In addition we are improving the equipment status of the Reserve Components. The Annex to Volume II of the Force Readiness Report submitted to Congress by the office of the Secretary of Defense on February 12, 1982, describes distribution planned for the Reserve Components as a result of procurement and other distribution actions for the fiscal years 1982 through 1985. The equipment procurred by the fiscal year 1983 budget will be available for distribution two to three years later. That distribution is reflected in the report mentioned above. In addition to those items in the report, the fiscal year 1983 budget continues the initiatives begun in fiscal year 1982 to improve the tactical automated data processing equipment for the Reserve Components.

Senator EXON. The meeting is adjourned.

[Whereupon, at 1:10 p.m., the subcommittee was adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1983

TUESDAY, MARCH 2, 1982

U.S. Senate,
Subcommittee on Manpower and Personnel,
Committee on Armed Services,
Washington, D.C.

DEPARTMENT OF DEFENSE MANPOWER REQUEST

The subcommittee met in open session at 2:10 p.m. in room 212, Russell Senate Office Building, Hon. Roger W. Jepsen (chairman) presiding.

Present: Senators Jepsen, Cohen, and Nunn.

Staff present: Anthony J. Principal, counsel; Michael B. Donley, Richard D. Finn, George K. Johnson, Jr., David S. Lyles, professional staff members; Ralph O. White, research assistant; and Jacquie S. O'Grady, staff assistant.

Also present: Jim Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Gray Armistead, assistant to Senator Byrd.

OPENING STATEMENT BY SENATOR ROGER JEPSEN, CHAIRMAN

Senator Jepsen. The Subcommittee on Manpower and Personnel convenes today to commence consideration of the Department of Defense fiscal year 1983 authorization request for active duty, Reserve, and civilian manpower.

During the past few years we have witnessed a dramatic improvement in our manpower situation. The recently concluded session of Congress was especially gratifying to our subcommittee because of the significant strides made toward solving serious military manpower problems. In particular, the fiscal year 1982 DOD authorization bill, the Comprehensive Uniformed Services Pay Act of 1981 and other legislation designed to reverse previous trends and to improve the quality of military life set the basis upon which to move forward in the next few years to even more meaningful accomplishments.

This will not be an easy task, however, for there can be little doubt that the attainment and sustainability of fully manned and highly effective Armed Forces that support our strategy and meet our commitments will be one of the greatest challenges facing us in the latter half of this decade.

This challenge will be particuarly difficult because of:

Intense budgetary pressures and already high manpower cost.

Force expansion commitments in the face of existing total force personnel shortages.

Increasing demand for high-quality personnel to operate and maintain new technologies and weapons systems at a time when large numbers of skilled careerists are leaving the services.

The shrinking pool of high-quality skilled personnel from academia and industry.

The sharp downward demographic trend in the number of service-eligible male youths.

Therefore, I believe it is essential that we begin to identify the manpower problems that we shall confront in the mid and late 1980's and to take appropriate action to address them.

Today, recruiting and retention statistics are most encouraging. The services are meeting their quality and their quantity goals. The skill imbalance in our career force is diminishing.

A number of factors are responsible for this change: The economy, increased pay and benefits, and renewed patriotism and pride in the military uniform. However, we cannot be certain that these trends will continue as the economy turns around and the male youth population continues to shrink. Nor can we rely on unlimited fiscal resources to solve manpower problems. The demands for new weapon systems and greater force readiness will create keen competition for defense dollars. It is likely to grow more intense given the current economic situation and the serious considerations to reduce defense expenditures.

I am confident that if we work together, keep an open mind and are creative and discriminating in our approach, we shall be able to meet the challenges we face in the years ahead.

This afternoon we shall receive testimony from Lt. General Tice, U.S. Army, Deputy Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics.

Before receiving his testimony, I wish to recognize my distinguished colleague from South Carolina, Senator Ernest Hollings. Senator Hollings has a long and distinguished career of public service and he has always been a strong advocate of our Nation's defense, and particularly of our men and women in uniform. I am pleased to welcome him here today.

Senator Hollings, welcome, and you may proceed.

STATEMENT OF HON. ERNEST F. HOLLINGS, A U.S. SENATOR FROM THE STATE OF SOUTH CAROLINA

Senator HOLLINGS. Thank you very much, Mr. Chairman. I am grateful to you and the subcommittee for allowing me to appear this afternoon.

AMERICA NEEDS THE DRAFT

I appreciate the opportunity to be here as you focus on these military manpower needs. I appear out of a strong conviction that America needs the draft. We need it in order to field a credible fighting force, and we need it in order to remain true to the ideals which built this country:

Early in the 1970's, with America's morale sapped by our involvement in Vietnam, we bought the idea that there was an easy way for America to defend itself without personal sacrifice. Gone was the injunction of John F. Kennedy—"Ask not what your country can do for you: Ask what you can do for your country." In its stead was the barren idea that somehow we could painlessly provide for the defense of freedom. Seared by the tragedy of Indochina, too many envisioned an army wherein their children would never need to serve. The decision to go with the All-Volunteer Army in 1973 insured that our Nation's defense burden would rest with the very group that we thought we were relieving of that burden.

Namely, at the time of Martin Luther King's loss in Memphis, Tenn., where he was marching, the casualty count statistics showed that the Vietnam war was being fought by the black, the poor, and the disadvantaged. What we said: "Look, have them volunteer," and those who would volunteer would supplant that, and that inequity would be erased from America's record.

On the contrary we now have just exactly what many of us predicted at that time, an army of the black, the poor, and the disadvantaged. And of course, without a cross-section of representation we have no cross-section of support for the military services in this country.

Now we must speak the truth. The draft is needed and if we perpetuate the mistake of the All-Volunteer Army, we court dire problems for the Nation's security. Our most difficult problem, especially in the light of America's reawakening to the need for strengthening national defense, is not money—we will increase defense spending during fiscal year 1982 by $31 billion, and the President projects another $31 billion increase in fiscal year 1983.

MANPOWER IS MOST DIFFICULT PROBLEM

Our most difficult problem is not weapons. The current budget request provides for over 600 aircraft, 50,000 projectiles and missiles, nearly 3,000 tracked vehicles, and 25 ships. Our most difficult problem is manpower. You do not have to take my word for it. The Defense Department's own documentation states clearly the concern about manpower. Let me quote from the military posture statement for fiscal year 1983 prepared by the Joint Chiefs of Staff. This is only a reiteration of the Joint Chiefs of Staff's presentation to President Carter as Commander in Chief 5 years ago, and a presentation by the Joint Chiefs of Staff to then President Ford, who preceded him.

> The most critical concern with general purpose force readiness is the shortage of qualified military personnel. Within Army units, the most pressing problem remains the shortage of noncommissioned officers—NCO's—in combat arms, military intelligence, and electronic warfare. The Navy is short of experienced petty officers and officers in billets requiring highly technical skills. All the services, of course, are short of pilots.

The JCS posture statement further outlines representative shortages in enlisted critical skill areas. Some of these are—and I have a list of them. I ask your consent, Mr. Chairman, that they be included.

Representative shortage enlisted critical skills

[In percent]

	Shortages
Army:	
Combat arms NCO's	10
Military intelligence NCO's	20
Electronic warfare maintenance NCO's	44
Navy:	
Avionics petty officers	22
Propulsion engineering petty officers	26
Combat systems petty officers	27
Air Force:	
Aircraft systems maintenance NCO's	23
Missile maintenance NCO's	26
Avionics systems NCO's	29
Marine Corps:	
Air control/antiair warfare enlisted personnel	21
Signal intelligence enlisted personnel	32

You have the Army shortages, going right down the list from combat arms, 10 percent, up to electronic warfare maintenance NCO's, a shortage of 44 percent.

Then, you have Navy shortages: The Navy avionics petty officers, a 22-percent shortage; propulsion engineering petty officers, a 26-percent shortage; a 27-percent shortage in combat systems petty officers.

The Air Force with similar shortages, avionics systems NCO's, for example, 29 percent. The Marine Corps, air controller antiair warfare enlisted personnel, 21 percent; signal intelligence enlisted personnel 32 percent.

In describing the reserve components of our forces, the Joint Chiefs state that the Selected Reserves are more than 200,000 people below the fiscal year 1981 requirement of over a million personnel. The Individual Ready Reserve—the base upon which we would augment understrength active units and which would be the initial replacement for combat casualties—has a shortfall of 250,000 to 300,000 trained personnel at about 90 days after mobilization.

I would ask the committee to take judicial notice of the somewhat off-the-record statements of the Joint Chiefs. As you and I both know, the commander who stands in front of his outfit and says they are unfit as an outfit has lost his ability to command. So, we cannot expect General Tice or anyone else to come up here and say it is lousy; it is not working; it is inadequate; it will not fight. They are not going to say that.

But the distinguished chairman, I know, is very, very familiar and has served and knows the problem intimately. I would only ask the chairman and the other committee members to talk as I have from time to time to the Chiefs and to ranking military personnel, or to those in the field and ask them—those who are volunteers—ask them how it is working, and they will get the same impressions that I received and submit here in this particular statement.

ALL-VOLUNTEER FORCE A FAILURE

These statements by the Joint Chiefs, do they support, Mr. Chairman, the belief that the All-Volunteer Force is prepared and ready for war? Surely not. Problems abound. Over and over we hear that 9 of 16 Active Army divisions are rated unfit for combat; that the Navy has serious readiness and manpower shortage problems and the Air

Force has not yet achieved the capability to conduct a brigade-size air drop overseas. When compared to other NATO units, reports show:

> Hand-picked U.S. armored crews have been outgunned and outmaneuvered repeatedly by crews from the Netherlands, Belgium, Great Britain, Canada, and West Germany in competitions designed to simulate armored warfare on the plains of Central Europe.

In 1977, U.S. tank crews finished sixth out of six participants competing in the most prestigious competition in tank gunnery. In 1979, after the Army had overhauled its training program, we still finished fourth out of five.

A foreman with 23 years experience at a tank shooting range in Germany was heard to say the following about the American crews who trained regularly at his range:

> Forget the Americans. We do not talk about the Americans any more. They use a tremendous amount of ammunition. They claim a remarkable number of hits and then, when we go out to review the targets we see that the number of hits they claim is completely wrong. They simply miss the targets.

Indeed, at times it seems that nothing works in our Armed Forces without planes crashing, rescue missions aborting, and the alarming incidence of drugs.

In a nutshell, the all volunteer approach has been a failure. It has failed to provide the necessary number of troops. If has failed to provide a quality defense force, and all the demographic indicators warn that the pool of 17- to 21-year-old males, the largest grouping of potential recruits, is going to fall off sharply in the years ahead.

The Department of Defense has stated that the 17- to 21-year-old male group will decline to about 9 million in 1990 from a peak of 11 million in 1978. This portends much greater competition among colleges and vocational schools, government and private employers and the military for high school graduates. Given the declining population, we must be very concerned about how to meet the military's manpower needs.

The Congress should act now if we are to provide the manpower pool necessary to meet the requirements for more people, and more people who are highly qualified to perform the military's technical operations using complex equipment demanding greater skills and judgment.

Our All-Volunteer Force is often not qualified or trained to operate our weapons. The Pentagon may ballyhoo that the All-Volunteer Force is drawing a slightly more intelligent crowd of 18- to 23-year olds than exist in the general population, but the fact is that the Army is considerably below the national average in category I and II ranges of above average intelligence.

The national average for this level is 37 percent of the population while the Army's volunteer force consists of only 23 percent in these categories. How does the Pentagon hope to solve these problems? Its answer is always to spend more and more on recruitment incentives, bonuses. It is plain and simple, they go out and buy our mercenaries—we will get into that part in due time, Mr. Chairman, when we go into depth on the problem. But we are spending $1 billion in bonuses to get the volunteers in and so the pay of all the military rises. Now taking the colonel's pay and benefits right here in Washington and breaking it down with the health care and housing allowance and everything—colonels are paid more than a U.S. Senator. I'm not saying the problem is that we over pay—good heavens, the military does an outstanding job. The problem is that by paying exorbitant pay to volunteers, the whole pay scale gets out of balance.

If you take the colonels and the captains in the Navy—we have over 13,000 of them—they are well paid and you reach a point you just cannot pay people to fight in the military, that should not and it is not, really, the main attraction. We are the home of the gallant and the champion of the free. But the fact is to go out and try to buy our defense over and over again, we can simply never pay for the All-Volunteer Force. There is just not enough money in this land to buy a capable, reliable volunteer Army because I do not believe one can pay that price

For those who believe that the kind of Army you and I would have, for those who believe that the Army's racial and socioeconomic composition should at least approximate the society for which it is pledged to defend, there is more bad news. Last year, 27 percent of all the new recruits were black—over double their proportion in the population. The number of other minorities, especially Hispanics, is growing. The minority soldiers are over-represented in combat formations such as tank, artillery, and infantry outfits.

In a future war fought by the All-Volunteeer Army, casualties among blacks and other minorities would be grossly disproportionate to their share of the population. And, more than a racial problem, the problem is class oriented. For even the white recruits are drawn from the poorer and less-educated segments of society. As pointed out by the Washington Star some time back, "A free society defended by the least free is a dangerous contradiction."

I remember well, the policy in Vietnam was to avoid this kind of dilemma, you would not just want one class or one group, or one community's soldiers to suffer a severe loss. That was the whole approach at that time, "do not send the National Guard, do not send the Reserve." Everybody wanted to get in the National Guard and Reserve.

We did not want to send those kinds of units because a unit being wiped out of that kind would bring to mind exactly what we were doing or failing to do in that particular war. You would have an early engagement with a disproportionate loss of the minority population, and you would have an even worse problem at home than what you would have wherever you were fighting.

UNIVERSAL SERVICE

There are some among us proclaiming that not the draft but universal service and this is a good one here—is the answer to our woes. That is the neoliberal crowd, they want to show that they have some kind of awareness of something. They are running around trying to change their positions on things and coming to the world of reality. So, they run around and give us an overkill—universal service. They see the problem as one of commitment they call it, by the young of the Nation, and then start lecturing.

I am trying to address the urgent problems of the effectiveness of America's military, I am not trying to superimpose somewhat like Kemp-Roth. We had tax cuts. You know, everybody loves tax cuts. We Democrats come running around whenever we hear of tax cuts.

We had one in 1969; we had six tax cuts in the 1970's. Our friends Jack Kemp and Bill Roth said:

> You cannot stop these fellows from spending us blind. What we will do is just give them the big old family-size tax cut, 10 percent a year, 30 percent in 3 years, and then the high deficits will force them to cut spending.
>
> We will get a redistribution of wealth our way and there will not be so much to the poor and the disadvantaged, but on the contrary, we will enrich the rich and at the same time we will put government into such a corner that spending will have to be cut.

Well, the rest is history, we have an even worse problem now than what we were getting from the regular old Democratic tax cuts.

Similarly, when we go about this trying to build up our military and to get a cross section of people, there is no reason to go for overkill with a universal service plan because that will only get us into a protracted debate and bring in a lot of people that are not needed and cannot be afforded. If you had universal service you would just have all kinds of personnel, all kinds of costs, all kinds of bureaucracy and the solution would be worse than the problem itself.

Where would universal service lead us? Well, building a dirt road here or another unfilled hospital there, or raking leaves along the highway does not add to national security, nor does it address the problem before your committee, and that is military personnel needs.

The cost, the concept, the civil wrong of a Volunteer Army are bad enough, but more than anything, now the AUF has set up a "civilization"—not only to woo them in and tell them to travel and see the world, and get educated, and do all the other things except fight. Then once they have them, in order to hold them you have to sort of civilianize the forces. That process can keep the Army content and happy in peacetime, but in war it fairly well guarantees that the soldier will not fight.

Anyone who has ever served in war realizes that the motivation to kill, to defend, to advance, to hold an untenable spot all springs from a unit loyalty—a loyalty developed from working together, playing together, training together, staying together, and sacrificing together. It is an inner discipline. It is a developed pride for the organization that you are part of. But to give the Volunteer Army appearances of success and harmony, "civilianization" has taken over.

LOSS OF DISCIPLINE

Soldiers stay off camp with their wives; they have weekends off with their families; promotions are made with little regard to merit, and the commander that breaks down his barracks and finds drugs, all he can do is turn the drugs in. He cannot turn the man in who is responsible and who has the drugs there because civilian law has taken over and what the commander has to have first is a warrant.

You just lose all the discipline and everything else so vital to military spirit by this civilianization where we have everybody sort of happy and they are not all going AWOL and everything else because there is no need to, you can just walk home any time.

But turning the Army into a microcosm of the office down the street does not suffice. The kind of camaraderie needed to weld an effective fighting force—that is what we are trying to do—cannot flourish in an atmosphere that the military is a part-time chore. Defending America is not a 9-to-5 job.

UNIVERSAL DRAFT—NO EXEMPTIONS

In fairness to ourselves as a people, we need the draft—a universal draft, not the kind with all the exemptions that caused so much bitterness during Vietnam, but a draft that would reflect the true character of America's greatness. For that reason, last March I introduced S. 756 to provide for the reinstitution of registration and classification, and for the reinstatement of the President's authority to induct individuals. We cannot respond to crises around the world unless our forces are significantly improved. The Joint Chiefs tell us so.

Conscience tells us that we need a cross section of America in our Armed Forces. Defense is everybody's business, it is everybody's responsibility. Even if we had the money to make the All-Volunteer Army work, a professional army is un-American. I emphasize that. The CBO has estimated that return to conscription would immediately save a billion dollars. We know we could save most of the billion dollars we are using in recruitment and otherwise—for instance money eventually spent for pensions and various pay and benefits. The draft equates to substantial savings.

PROFESSIONAL ARMY IS UN-AMERICAN

But my plea is not an economic one, it is a matter of being an American and our responsibility, and the feel that a professional army is un-American. It is an anathema to a democratic republic—a glaring civil wrong. Not until we make an equal call on rich and poor alike, educated and uneducated, white and black, will it be a true reflection of us as a people.

I know full well that one of the great rejoinders used by our allied members of the NATO over the many, many years. When the United States gets on its high horse and tells them what they have to do, increase their defense budgets 3 percent and everything else, then all of those countries immediately start listing the fact that they do have draft and they are making the basic and fundamental sacrifice, and we are just trying to cop out and make it a money problem. It has always been an embarrassment to me at NATO Conferences that America wants to always lecture about how committed we are when we cannot really demonstrate that commitment, all we can just demonstrate is the deficit for it.

The great need of the hour is not so much planes and tanks, pilots and soldiers, military power. The great need for America in foreign policy is willpower. We lack credibility. Ever since Vietnam we have receded and withdrawn, refusing to commit. The lesson should have been learned by now that a President's commitment counts for little unless it reflects the commitment of the people.

The direction of our foreign policy the power of our newest weaponry, and the number of dollars in the defense budget are meaningless unless we, as people, are committed to the task of protecting a nation and aiding our allies—allies who by and large do maintain systems of military conscription.

From all of these standpoints then, Mr. Chairman—manpower shortfalls present recruiting difficulties, and even worse ones portending, lack of military cohesiveness, extravagant cost, and the unequal sharing of equal responsibilities—America needs the draft. My hope is my distinguished colleagues on this panel will make this their most urgent priority.

Thank you, Mr. Chairman, I will be glad to try to answer any questions. I know you have other, more important witnesses.

NATIONS WITH COMPULSORY SERVICE

Senator JEPSEN. What percent of the nations—you mentioned the other nations just toward the end of your remarks—what percent of the other nations around the world do have some type of compulsory service?

Senator HOLLINGS. Well, in the NATO, Canada and England are volunteer. We have Belgium, Denmark, France, the Federal Republic of Germany, Greece, Italy, Netherlands, Norway, Portugal and Turkey.

The only two exceptions I know of are Canada and the United Kingdom.

Senator JEPSEN. I believe the percentage is approximately—I picked this roughly—88 percent of all the nations have compulsory service.

Senator HOLLINGS. That is right. It is basic, it is something that we can put in without all of the things that got us into trouble during Vietnam. If you had cash, you were either in college or in Canada. We can easily require a year or more in training and have it down by 22 years of age, a commitment either before or toward the end of college. In other words, college would not be a deferment.

We have cleaned up most of the deferment mess right at the end of the war in Vietnam. I know Senator Cohen is familiar with it. So, we have cleaned up the inequities and the reason for everybody dodging around and the demonstrating out on the Capitol steps.

But I do not know of any one single thing that would bring us together more as a people and really provide a better understanding and appreciation of our national will. I have seen how the defense issue goes. We had a good coalition this time last year. It went asunder in August with the debate between Stockman and Weinberger. Now we are into deep trouble where even people like myself are having to say, "Hold back on some of these increases if we are going to try first to get the interest rates down." I think that is absolutely necessary at this hour.

I think we have to hold up on all increases until we get the interest rates down and get the economy moving again, and then we will get a better defense for our defense dollar.

Senator JEPSEN. Senator Cohen?

Senator COHEN. Just a couple of questions, Mr. Chairman. I have a statement to make a little bit later. But I would like to point out one thing. I just returned, for example, from the Indian Ocean, visiting the U.S.S. *Kennedy*. Frankly, I found a very high degree of enthusiasm of the men on board. They were patriotic, they were eager, they were highly trained and competent. They are not working any 9-to-5 hours. They are out there 18 hours a day, and 6 months at a time.

So, I think that sometimes we tend to overload it and say we have people who are not competent, who are not patriotic, who are not enthusiastic, who are 9-to-5ers and who are not capable of fighting. My experience has not led me to that conclusion at this particular point.

FREEZING THE BUDGET

But what I want to talk about, Senator Hollings, is this. You had a very interesting proposal about freezing the budget, having a so-called zero growth for most programs, including defense. I was wondering, do you still support the zero growth for fiscal 1983?

Senator HOLLINGS. Generally, yes. You have to have some growth in the budget however. I stated in the proposal when I submitted it that readiness can't be chopped.

Senator COHEN. What does your analysis show? If you had a zero growth in defense, what would it do in the way of either end strength or pay caps? What would zero growth mean for the defense budget in fiscal year 1983?

Senator HOLLINGS. In fiscal year 1983, it means you don't increase your spending authority over 1982 levels. That is the thrust of it.

But concomitant with that particular thrust is the general fact that you have increased your defense budget $37 billion in fiscal year 1981 and we have a projected $33 billion increase in this year, fiscal year 1982. A freeze at this particular time would not be harmful because even with a freeze real growth in defense would average about 6 percent per year 1983 over 1980. And I do not hold up the growth of the defense in 1984 and 1985. I do have a detailed plan to put in the record because a lot of misleading information has gone out about my proposal.

I propose a 5-percent real growth increase in 1984 and 1985 for defense purchases with a freeze in 1983 at the 1982 budget authority levels. What you have in essence is to take that $70 billion increase that you presently are trying to absorb over 2 years—1982 and 1980—and have a more deliberate—and frankly end up with a better defense in my judgment—a deliberate treatment of these tremendous add-ons over 3 years—1983 and 1980.

The difficulty we are having with this administration at this time is what you and I know as the 5-year procurement annex. If I take that document and take the itemization of weaponry out throughout every part and section you can see at the end of 5 years where you are and how much the cost is. We can see what the outlay figures are—that we find out—administration outlays have been minimized.

We can see the inflation factors and we immediately find they have been minimized. I wrote for the Armed Forces Journal last year that the administration defense budget was $150 billion low, due to use of phony outlays and inflaters. Now we find out that mine was a minimal kind of assessment, the JCS says $750 billion, but they will not give us that kind of data.

If we could obtain a 5-year procurement annex and phase in the $70 billion over a 36-month period rather than a 24-month period, it would not disturb the steady buildup and the sensible buildup, and it would still allow for a 5-percent real growth in 1984 and 1985.

At the present time, if you turn to page 9–9 of the Federal Budget document you will see that the unobligated balances right this minute—not authorization, not actual spending now—but in the petty cash account, there is $33.8 billion for the year 1982, and if you approve the President's defense budget for 1983, that goes up to $43.1 billion in unobligated balances.

Now, I had the role when Jim Lynn was Director of the Office of Management and Budget, defending the $10 to $12 billion in unobligated balances. You know how you have 5 years to obligate shipbuilding money and 3 years to obligate other procurement funds. I had a "dickens" of a time explaining that we needed that money then and in an orderly process coming through the years, and all the military at that time said, well, what we really needed was at least $10. $12 was a little high.

Now, if you approve the budget it jumps to $43 billion, just sitting around. This is really destroying the credibility of the Pentagon and of our defense posture. We are just piling up money and there is no way to get out of these contracts. The Army comes before your committee and says it needs AH–64 helicopters. They say, by the way, we need 100 less but we are going to have to pay $1 billion more. That is the kind of willy-nilly, down-the-road kind of treatment that we have going on because we are not given a comprehensive overview and we are not doing it in a deliberate fashion over at the Pentagon. So, I am not hurting defense, I am confident that that freeze can work out.

MEN IN UNIFORM

Senator Cohen, on your comment. You know and I know the pride I have in the man in uniform. I am not saying they are all "stumblebumbles."

In fact, Senator Hart, your other committee member, went out and he also testified. We were talking to him and I have talked to Secretary Lehman of the Navy if there was some way we could live with a short cruise. They are staying out there an inordinate length of time. When they bring around from Pascagoula, Miss., those particular ships that are being built there, to my navy yard in Charleston, the admiral tells me they are supposed to have a crew of 282 onboard, and they are coming around with a crew of 210, and 60 percent of the crew has never been to sea before.

They are coming around the cape in these storms and they almost swamped two of the vessels coming in there.

So, I mean we can talk of the dedication of those who are not 9 to 5, you and I understand that. They cannot get away, you cannot jump off the ship in the Indian Ocean and swim to the family, I know that.

But I am trying to tell you they are short-handed on those crews out there in the Indian Ocean. You have just been there, I know it and you know it. And there are short crews throughout in the Navy. That is what I am referring to.

Now, incidentally, I was trained by an illiterate soldier and was proud of it. We were college smarties, we went down in our junior year to Fort Paranquas, Fla. We would get our ROTC junior year training in camp and the sergeant that was in charge of us, started us off at a quarter to 5 in the morning. He learned from the field manual and his pronunciation—like, he would pronounce it "kanob" rather than the "knob." "The purpose of this gun is"—so forth and so on, and—"turn approximately, and the 'kanob.' "

We used to mimic him, we thought that was clever and everything else. But we got trained darned well in those days. We were sharp soldiers when we went into North Africa a year later.

SOPHISTICATED GEAR

But you cannot do that any more now. You are going to have a smarter fellow all the way around for this sophisticated gear. You folks have the Abrams tank, you have all these other things and you do not have people, you don't have the personnel to understand how to operate it.

So, we have to be realistic. We are not trying to disparage or run down the poor. On the contrary, we are proud of them. I think it is the finest calling and I know with the minority personnel that it is the best of callings?. They finally have an equal opportunity where on their own, without color, they can compete and excel and are recognized for it. So, I am for that.

But I am talking about the overall posture of this Army and talking of just those people. They know of my testimony and they know my feel on this. I can tell you right now, they would vote the same way. They are the ones that tell you, when you go to Fort Jackson, or go to the different installations. They know what I am talking about.

This general who is going to testify in a few minutes, he knows what I am talking about but he cannot testify to it.

Senator COHEN. Just so I am clear, Senator Hollings, do you still then recommend a freeze on 1983?

Senator HOLLINGS. Yes, sir.

Senator COHEN. And then you would increase it for 1984 and 1985?

Senator HOLLINGS. We are going to have some give and take, but I certainly would try to do it. I did not see the entire increase that President Reagan recommends. I still think—in fact I am having it analyzed right now by—we will show exactly how that can be done. I will be glad to furnish it to the committee for the record.

Senator COHEN. I would appreciate it.

Senator HOLLINGS. Yes, sir.

[Additional information follows:]

PORTION OF DEFENSE BUDGET ALLOCATED TO ACTIVE DUTY PAY

Senator COHEN. What percentage of the defense budget goes to active forces pay and how does this compare to levels per active duty military member from 1964 to the present?

Answer. Active duty pay is about 20 percent of the defense budget for 1983. As shown in the Table below, the percentage per active duty member has been largely unchanged since 1964.

ACTIVE DUTY PAY

[Outlays in billions of constant 1983 dollars]

	Fiscal year—					
	1964	1968	1974	1978	[1] 1982	[1] 1983
Defense budget	187	243	164	162	195	216
Military personnel appropriation [2]	56	69	45	40	42	43
Percentage	30	28	27	25	22	20
Active-duty members (millions)	2.7	3.5	2.2	2.1	2.1	2.1
Military personnel appropriation per member	20,700	19,700	20,500	19,000	19,100	20,500
Percentage per member ($\times 10^{-6}$)	11	8	12	12	10	10

[1] As shown in the President's budget for fiscal year 1983.
[2] Includes pay, allowances, and PCS travel.

Senator Jepsen. I understand, Senator, you have a Budget Committee meeting that you must return to. Just one quick remark if you would, please.

MAKING THE DRAFT EQUITABLE FOR ALL

That draft—I do not want to get into the discussion now—we have about 3 million males come of age 18 a year, and we probably physically can handle 270,000 additional this year. That leaves 2,730,000 or so that would escape the draft. That is a problem.

Senator Hollings. That is a problem. I have heard the distinguished chairman mention that problem and an approach to it. I know General Westmoreland has come up with a plan; I know Senator Nunn has had a plan. There are various approaches to make it equitable. I think the chairman's observation is most appropriate, it has to be equitable and understood that everybody is going to be treated equally.

Senator Jepsen. So, we supply our intake with the draft or front end numbers. How might that impact on our problem, the serious problem that we have had in the last few years, with the retention of our senior noncommissioned officers, chief petty officers?

Senator Hollings. Why, it would be the greatest thing that ever happened for retention. It is amazing the people that get in and like it. It is amazing, and they come from all walks of life. Our friend, John F. Kennedy, won the Navy Cross. He was a Harvard graduate. I do not believe he would have gone down to the office to volunteer.

But I mean, people excel and they get in it and stay in it. Many, who, after that year up and say, "Well, I will try it another time, I like it." I think the people that I admire and get so enthused about, as our general officers have, really got into it not for the money.

The general who will now testify, he did not get in, in his time, to make a living or for the money; it was his dedication to his country. It was the highest of calling. Now we have it through congressional action and national perception as a sort of "sop," get rid of it. Give them enough money, keep them quiet, tell them anything, have a little more trend, a little more benefits, a little more bonuses, a little more of this and a little more of that.

That breaks down a unit, and an outfit, and an army that none of us can be proud of. It is just not working, it is wrong, wrong, wrong. The retention would be dramatic and would represent a cross-section of our society. The skills would immediately increase and the attitude and treatment of the American public toward their armed services would dramatically improve.

Senator **Jepsen**. You can buy head power and hand power, but you cannot buy heart power.

Senator **Hollings**. You cannot buy it. You and I can keep adding to it and say, "Look what we have done, we have provided for them," but not the real soldier that is going to do the fighting out there.

I could not overemphasize that civilianization part of it because that is the fellow who really gets in there and makes that ultimate sacrifice and everything. He is fighting because he is proud and he knows that fellow would fight for him You are really not thinking, necessarily, of the flag, or the monument, or the Capitol, or the Congress—in fact, if you think of the Congress, you might run in the other direction. [Laughter.]

Senator **Jepsen**. Senator Hollings, I thank you very much. I thank you not only for your testimony today and since I do not have this opportunity very often, I want to thank you for your years of service and support of the military services. I know that you were supporting the military many years before it was in vogue around here to be in support of defense, and I appreciate that.

Senator **Hollings**. I thank you, Mr. Chairman, for your loyalty and leadership on this score. Thank you very much.

Senator **Jepsen**. Thank you.

We will take a 5-minute recess and then proceed with General Tice, U.S. Army, the Deputy Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics. We will just take a 5-minute recess.

[Whereupon, a short recess was taken.]

Senator **Jepsen**. General Tice, thank you for your patience, and thank you for appearing here today. You may proceed.

STATEMENT OF LT. GEN. R. D. TICE, USA, DEPUTY ASSISTANT SECRETARY OF DEFENSE (MILITARY PERSONNEL AND FORCE MANAGEMENT), ACCOMPANIED BY PAUL DONOVAN, PRINCIPAL DIRECTOR, PROGRAM INTEGRATION, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (M.R.A. & L.)

General **Tice**. Mr. Chairman, it is a privilege to appear here today and present an overview of the Department of Defense Manpower program for 1983 and to highlight the issues which we feel are of paramount importance to us.

I will submit for the record my complete statement and make a short oral statement.

Senator **Jepsen**. The prepared statement of General Tice will be placed in the record as if read, and you may proceed.

General **Tice**. I am accompanied today, sir, by Mr. Paul Donovan, the Principal Director in the Office of the Deputy Assistant Secretary of Defense for Program Integration in M.R.A. & L.

1981 RECRUITING AND RETENTION UNPARALLELED

Sir, I am pleased to say that the year ended September 30, 1981, was unparalleled in our recruiting and retention achievements. For the first time since Congress approved the all-volunteer concept, the services met their end strength. Indeed, the Army had to come back and get legislative approval to raise its end strength for 1981 by 4,700.

There was no sacrifice to entrance standards. We raised our standards. We stressed quality—and as a measure of achievement we succeeded in recruiting a higher percentage of high school diploma graduates than ever before.

In hard numbers, our Active Forces increased by 32,000 to 2,082,000. The Selected Reserve, after a decade of reductions caused by the post-Vietnam drawdown, rose by 48,000. The Individual Ready Reserve, the Inactive National Guard and civilians in the Defense Establishment increased by 77,000 since its low point in 1978.

An outstanding recruiting effort resulted in a total of 367,300 active duty enlistments, including 327,800 nonprior service and 39,500 prior service accessions. In addition, 30,500 young men and women accepted commissions as officers in fiscal year 1981.

A number of factors contributed to this achievement: Better recruiting management, increased funding for recruiting, a significant military pay increase—thanks to the strong support in Congress and a growing appreciation for our men and women in uniform among the general public.

I cannot overstate the importance of public perception and appreciation for those who choose to serve their country in the military. However, we are also aware that the state of the economy also played a role in our successes last year.

I should note that our recruiting efforts have continued to be successful in fiscal year 1982 and in the quarter that ended December 31, the four services combined achieved 102 percent of their goals.

It is also encouraging to note that the Army in its accessions for the first quarter in 1982 increased the take of AFQT categories I through III from 69 percent of those coming in to 82 percent—all the accessions were in categories I through III. There are 8,900 more young men and women entering into the Army in that higher category than in the same quarter of the previous year.

QUALITY OF ENLISTEES

Sir, I would now like to address the quality of our enlistees. Military quality is defined most frequently in terms of educational records and aptitude test scores. The possession of a high school diploma is an important indicator of a person's ability to adjust to military life and operate highly complex systems.

On the average, a nongraduate is twice as likely to leave the service before completing an initial 3-year enlistment than is a high school diploma graduate. That is why we prefer to attract high school diploma graduates. The practice is clearly cost effective.

In fiscal year 1981, the services overall recruited 25,000 more high school diploma graduates than they did in 1980. It was a 12-percent increase, and, we think, a major improvement.

The Army led in the effort by recruiting more than 11,000 male high school graduates over fiscal year 1980's total and—even more impressive—increased its proportion of male graduates from 49 percent in fiscal year 1980 to 78 percent in fiscal year 1981.

Another indicator in the rise in quality was that nonprior service enlistees showed a dramatic change in their Armed Forces qualification test scores in 1981: 82 percent tested above average in trainability, up from the 69 percent that I mentioned. Army recruits recorded the largest increase, from 50 percent to 69 percent.

The results of the recently-released study "Profile of American Youth" confirm the success in recruiting quality youth into the Armed Forces. Military recruits in 1981 scored higher on the AFQT than did contemporary youth. Approximately the same proportion of individuals with above average scores—that is, categories I and II combined—were found in both the 1980 youth population and the 1981 accessions.

The proportion of accessions scoring in the average range—that is, category III—was considerably higher than the comparable proportion of youth in the general population. Eighty percent of 18- to 23-year old nonprior service accessions in 1981 received scores in AFQT categories I through III, compared with 69 percent of the 1980 youth population.

We are encouraged with these results. At the same time we know our efforts must be intensified if we are to achieve our goals in building a stronger Active Force this year and into the mid-1980's in the face of declining youth population.

MILITARY MANPOWER GOALS

Our country's military manpower goals remain ambitious—2,110,000 in the Active Forces by the end of fiscal year 1982, and 2,148,000 a year later. For the Selected Reserves and National Guard units the targets are 946,000—that is up 47,000 from 1981 in 1982, and 1 million, up another 54,000, in fiscal year 1983.

If we are to continue to attract and retain the manpower we need to sustain force readiness and to meet our national commitments, it is essential that a service enlistment continue to be perceived as an honorable, rewarding career choice. Compensation levels must be maintained at levels comparable to those in the civilian sector. In addition, we are currently examining how educational benefits might function as an inducement for high-quality enlistments and we expect to provide a report to the Congress in the next few weeks.

We would recommend that Congress reexamine its constraints imposed on the services, particularly on the Army, regarding ceilings on category IV enlistees. In fiscal year 1983 these restrictions will become even more limiting and in a shrinking marketplace they may prove increasingly difficult to overcome.

IMPROVED RETENTION NEEDED

Five to six years of successful retention of young careerists now in the service will be needed to reduce the shortage of personnel with 12 to 20 years of military experience. Until we rebuild our experienced human capital base, the services will have to continue to substitute people with less experience and less skill. Each service is striving to improve its retention of young and midlevel careerists—a goal each of the four has succeeded in achieving for the last 2 years.

I should point out that the reenlistment trends for 1981 and the first quarter of 1982 are highly encouraging. First-term reenlistments servicewide in 1981 reached 43 percent—sir, that is an alltime high. The Army led the services with a 55-percent rate. Then, for the first quarter in 1982, the rates jumped again—to 54.3 percent servicewide and 63 percent for the Army. Career reenlistment servicewide reached 76.5 percent in 1981, the highest since 1975. They rose again in the first quarter of fiscal year 1982 to 84.1 percent. If we hold to that mark for the rest of the year, we will set an alltime record for career reenlistments.

If these high reenlistment rates continue we expect that the career force—that is those members with more than 4 years of service—will increase from 768,000 at the end of fiscal year 1981 to 843,000 by the end of 1984.

We need this increase to provide the leadership and technical skills the modern force requires, but the record of success to date must be viewed with some caution. Despite the impressive gains in overall reenlistment rates, we are still short of careerists in some occupation groups, especially those which are exceptionally arduous or which have a high level of transferability to the civilian economy.

Our major way of addressing these skills is with the selective reenlistment bonus, that is the SRB. The SRB's are a flexible and we think a cost-effective way of targeting compensation to critical skills. In the last session, the Congress dramatically altered the administration of the SRB program by terminating lump-sum payments and allowing only 50 percent to be paid at reenlistment. We are currently completing our analysis of this change, as well as looking at alternatives to the current SRB program, and we will submit a report to the Congress as it requested on May 1.

WOMEN ON ACTIVE DUTY

The number of women on active duty in the military exceeded 184,000 at the end of fiscal year 1981, up more than 13,000 over the 1980 levels. Over the next 5 years the services plan to increase this total to about 209,000. As this occurs, we will continue to monitor and evaluate female recruitment, assignment, and utilization. I can assure you that decisions affecting the future of women in the military will be based on sound analyses, not biases or emotion.

Today, 95 percent of all skills are open to women. Only positions classified as combat or closely related to combat are closed. Every indicator available to us shows that military women are performing with the same high degree of competence as are military men. The Army is conducting a review of policies which affect the utilization of military women and the relationship of military women and readiness. We expect the results of that review in the summer of 1982. In the interim, the Army is recruiting the number of women required to maintain a female enlisted end strength of 65,000.

MINORITY COMPOSITION OF ARMED FORCES

The overall minority composition of the Armed Forces now stands at 27.6 percent—9.4 percent among officers and 30.5 percent in the enlisted ranks. DOD remains deeply committed to equal opportunity and the equal management of all human resources. It is our intention to allow each member in service to realize the fullest of his or her potential in any career field for which he or she is qualified, regardless of gender, race, or ethnic heritage.

As the Secretary of Defense and the Deputy Secretary have noted in their memorandums on this subject, no artificial barriers will be allowed to interfere with the opportunities of women in the Armed Forces.

The human dimension of service life—the environment in which military men and women work—remains a high-priority concern. We are convinced that improving the quality of life is essential to the recruitment, retention, discipline, morale and, most importantly, the combat readiness of our forces.

Major initiatives in 1981 improved living conditions in remote overseas stations, upgraded child care programs and improved family services for married personnel. To improve conditions each service built new facilities or modernized existing ones. The Navy also made a strong effort to enhance living conditions afloat and thereby make sea duty more tolerable.

These efforts, I should stress, have been underfunded for years. As a result, at the end of fiscal year 1982 I expect our construction and maintenance backlog will amount to about $47 billion. We intend to increase our budget in this area to reduce that backlog in half by fiscal year 1987 and eliminate it by 1992.

UNIFORMED SERVICES PAY ACT OF 1981

We remain convinced that because of substantial improvements in military compensation—thanks to the Nunn-Warner bill in September 1980 and the Uniformed Services Pay Act of October 1981—service pay is no longer a serious deterrent in recruiting and retention, as was the case in the mid and late 1970's.

Our major need in this decade is to maintain the gains that have been made and to make sure that the military compensation remains competitive with the private sector. This will remain a priority effort.

It was just 3 months ago that the President stated with understandable pride that:

> Working with the Congress, we have begun to reverse the negative trend of the last few years in the standard of living of our military personnel. We have done this through more competitive pay, increased enlistment and re-enlistment bonuses, and enhanced educational benefits.
>
> Just as important we have fostered an attitude of increased appreciation and respect for the men and women who wear their country's uniform. There is a new spirit of pride and patriotism alive in the land, and the impressive manpower record of the Armed Forces during the fiscal year 1981 reflects this.

Sir, it is our intention, in close cooperation with your committee, to build on this impressive record in 1982. Thank you.

[The prepared statement of Lt. Gen. R. D. Tice follows:]

PREPARED STATEMENT OF LT. GEN. R. DEAN TICE, U.S. ARMY, DEPUTY ASSISTANT SECRETARY OF DEFENSE, MANPOWER, RESERVE AFFAIRS AND LOGISTICS

(Military Personnel and Force Management)

I. INTRODUCTION

Mr. Chairman and members of the Committee, it is a pleasure to appear before you today to present an overview of the Reagan Administration's defense manpower program for FY 1983 and to discuss with you the manpower issues which we feel are of paramount importance.

The determination of defense manpower requirements begins with an assessment of our worldwide commitments and the global threat that forces us to strengthen our armed services. From this analysis of our commitments and the threat come our conclusions about the types and numbers of forces the U.S. needs and specific manpower requirements necessary to fill and sustain those forces.

The process is further influenced by judgments about the complex interrelationships between peacetime requirements and wartime demands. Our annual Defense Manpower Requirements Report summarizes the procedures used by the Services and the Defense Agencies to determine their manpower requirements and describes the relationship between those requirements and the nation's security. This statement will focus on our programs to manage the manpower resources we feel are absolutely necessary.

It is obvious that no military force--no matter how sophisticated its equipment--will be any better than its people. Accordingly, President Reagan's program to rebuild our military strength gives top priority to meeting our requirement for an adequate supply of manpower and to the needs of the men and women, military and civilian, who comprise that manpower. This administration is committed to maintain and enhance the recent progress realized in a number of defense manpower areas.

Overall, defense manpower is composed of active duty military, the Reserve Components and civilians. Together these three components constitute our total force. Defense manpower management is concerned with the effective and efficient integration and support of those three. This statement, therefore, will address each of the three in turn and then cite the specific assistance being sought from the Congress to enable us to manage more effectively this most important of national security assets.

II. ACTIVE DUTY MANPOWER

Defense Manpower Trends

As shown in Table 1, FY 1981 active military strength was about 605,000 below the strength levels of 1964, the pre-Vietnam reference year often used in analyses of strength trends. In FY 1982 and FY 1983 the active duty strengths are programmed to increase 28,000 and 66,000 above the FY 1981 levels respectively.

Table 1

DEFENSE MANPOWER TRENDS: SELECTED YEARS
(End of FY Strengths in Thousands)

	Actual					Program	Planned
	FY 64	FY 68	FY 78	FY 80	FY 81	FY 82	FY 83
Active Military	2,687	3,547	2,061	2,050	2,082	2,110	2,148
Selected Reserve	953	925	788	851	899	946	1,000
Individual Ready Reserve/*	845	1,571	356	413	419	411	435
Civilians	1,176	1,393	1,017	990	1,019	1,034	1,035

* Includes Inactive National Guard

Table 1 also shows that Selected Reserve strength bottomed out during 1978 at 788,000 and is now increasing with a goal of 946,000 in FY 1982 and a longer term goal of over 1,000,000 by the mid-1980s.

The Individual Ready Reserve (IRR) strength for FY 1981 was 419,000. The IRR is a product of the flow-through of the active forces. IRR strength decreased substantially after the Vietnam conflict, bottomed out in 1978 at 342,000 and is now increasing.

Table 2 shows that DOD has manned the Active Force within a reasonable range of the Congressional strength authorizations since the authorizations were established in 1972.

Table 2

ACTIVE FORCE END-YEAR STRENGTH
(Thousands)

	FY72	FY73	FY74	FY75	FY76	FY77	FY78	FY79	FY80	FY81
Authorization	2,553	2,329	2,190	2,149	2,091	2,093	2,085	2,056	2,052	2,080
Achievement	2,512	2,252	2,161	2,127	2,081	2,074	2,061	2,024	2,050	2,082
Percentage of Authorization	98	97	99	99	99	99	99	98	99+	100

Table 3 shows active military end-year strengths by Service for selected years. Since the Vietnam drawdown in the early 1970s, each Service has maintained relatively constant strength levels.

Table 3

ACTIVE MILITARY END-YEAR STRENGTHS BY SERVICE: SELECTED YEARS
(Thousands)

	Actual						Program	Planned
	FY 64	FY 72	FY 74	FY 78	FY 80	FY 81	FY 82	FY 83
Army	973	955	783	771	777	781	784	784
Navy	668	604	546	530	527	540	553	569
Marine Corps	190	202	189	191	188	191	192	195
Air Force	857	750	644	570	558	570	581	600
DOD Total	2,687	2,512	2,161	2,061	2,050	2,082	2,110	2,148

Table 4 describes the recent changes in the female and black content of the Services. The female content increased to nine percent of active duty forces in FY 1981 while the percentage of blacks after doubling between FY 1964 and FY 1978 has remained relatively constant over the past few years.

Table 4

ACTIVE FORCE END STRENGTH AND CONTENT*
(Thousands)

	FY 64	FY 72	FY 74	FY 78	FY 80	FY 81
Total	2,676	2,311	2,151	2,049	2,036	2,069
Percent Female	1	2	4	7	8	9
Percent Black	9	12	14	17	20	19

*Reported Strength (includes reimbursables and excludes cadets/midshipmen)

Recruiting

In terms of both quantity and quality, FY 1981 was an outstanding recruiting year. Table 5 indicates that the Defense Department as a whole achieved 367,300 enlistments and all four Services met or exceeded their recruiting objectives. This was true for all three categories of personnel for which objectives were established: Non-Prior Service (NPS) males, NPS females, and prior service enlistees.

Many factors contributed to the favorable FY 1981 recruiting results--recruiting management improvements and new initiatives, increased levels of recruiting resources, the state of the economy, more competitive compensation thanks to strong Congressional interest and support, and a sharp increase in public appreciation for our men and women in uniform.

Table 5

FY 1981 RECRUITING RESULTS

	ARMY		NAVY		MARINE CORPS		AIR FORCE		DOD TOTAL	
	NUMBER (000)	PERCENT OF OBJECTIVE	NUMBER (000)	PERCENT OF OBJECTIVE	NUMBER (000)	PERCENT OF OBJECTIVE	NUMBER (000)	PERCENT OF OBJECTIVE	NUMBER (000)	PERCENT OF OBJECTIVE
Male NPS	99.6	101	81.9	100	38.6	101	66.0	100	286.1	101
Female NPS	18.3	100	10.1	100	2.3	100	11.0	100	41.7	100
Total NPS	117.9	101	92.0	100	40.9	101	76.9	100	327.8	101
PS Accessions	20.0	100	12.3	120	3.1	140	4.1	100	39.5	108
Total Accessions	137.9	101	104.3	102	44.0	103	81.0	100	367.3	101

Table 6 shows the mix of male, female, and black non-prior service (NPS) accessions for FY 1980 and FY 1981.

Table 6

NON-PRIOR SERVICE ACCESSIONS--MALE, FEMALE, BLACK

	FY 1981				FY 1980			
Service	Total	Percent Male	Percent Female	Percent Black	Total	Percent Male	Percent Female	Percent Black
Army	117.9	84	16	27	158.2	86	14	30
Navy	92.0	89	11	13	88.0	88	12	13
Marine Corps	40.9	94	6	18	41.8	95	5	23
Air Force	76.9	86	14	14	71.8	81	19	15
DOD Total	327.8	87	13	19	359.8	86	14	22

Through the first quarter of FY 1982, recruiting results remain encouraging and are slightly better than a year ago. The Services achieved 102 percent of their combined objectives for the quarter ending in December 1981. Table 7 shows all four Services achieved or exceeded their combined recruiting goals for this period.

Table 7

FIRST QUARTER FY 1982 & FY 1981 ENLISTED ACCESSIONS--ALL SOURCES
(Thousands)

	FY 1982 Thru December			FY 1981 Thru December		
Service	Objective	Actual	Percent of Objective	Objective	Actual	Percent of Objective
Army	32.8	33.3	101	29.2	28.9	99
Navy	21.3	21.8	102	22.3	22.9	103
Marine Corps	8.6	8.9	103	8.6	9.2	107
Air Force	19.4	19.4	100	18.9	19.0	101
DOD Total	82.1	83.3	102	79.0	80.1	101

As shown in Table 8, the DOD accession requirement for FY 1983 is 381,800 which is 14,500 more than the Services recruited in FY 1981 and about 39,000 more than they have programmed for FY 1982.

Table 8

DOD ENLISTED ACCESSIONS
(Thousands)

Fiscal Year	Total	Non-Prior Service	Prior Service
1981 Actual	367.3	327.8	39.5
1982 Program	343.1	313.1	30.0
1983 Plan	381.8	343.1	38.7

Military quality is defined most frequently in terms of educational attainment and aptitude test scores. Possession of a high school diploma is an important indicator of the capacity of individuals to adjust to military life. On the average, a nongraduate is twice as likely to leave the military before completing a three year enlistment than is a high school diploma graduate. Thus, given the choice in the recruiting market, we prefer to recruit diploma graduates. However, given a difficult recruiting market, it would be a mistake to turn away nongraduates arbitrarily since many of them do adapt successfully to service life.

As shown ~~in the following tables,~~ the number of male high school diploma graduates recruited by all the Services for FY 1981 was 25,000 above the number recruited last year -- a 12 percent increase. The Army recruited over 11,000 more male high school graduates and dramatically increased its proportion of male graduate NPS recruits from 49 percent in FY 1980 to 78 percent for FY 1981. In addition, the Services increased the percentage of female non-prior service enlistees with high school diplomas from 86 percent in FY 1980 to 92 percent in FY 1981.

Table 9

NON-PRIOR SERVICE ACCESSIONS--MALES AND FEMALES
HIGH SCHOOL DIPLOMA GRADUATES

Total Number (Thousands)

	FY 1981			FY 1980		
Service	Male	Female	Total	Male	Female	Total
Army	77.5	17.2	94.7	66.5	19.3	85.8
Navy	60.4	9.4	69.7	56.3	9.5	65.8
Marine Corps	30.4	2.3	32.8	30.2	2.3	32.5
Air Force	57.8	9.6	67.4	47.9	11.4	59.3
DOD Total	226.1	38.5	264.6	201.0	42.5	243.5

Percentage of NPS Accessions

	FY 1981			FY 1980		
Service	Male	Female	Total	Male	Female	Total
Army	78	94	80	49	87	54
Navy	74	93	76	73	87	75
Marine Corps	79	100	80	77	100	78
Air Force	88	88	88	83	82	83
DOD Total	79	92	81	65	86	68

The overall educational level of the AVF's FY 1981 non-prior service accessions was somewhat higher than the national average.

The Services recruited proportionately more individuals with high school diplomas and proportionately fewer non-graduates than are found in the general youth population (18-23 years of age). For example, approximately 81 percent of all new recruits possessed a high school diploma, compared with only 74 percent of all people in their age group.

Comparisons with previous years show that in FY 1981 DOD brought in a higher percentage of high school diploma graduates than ever before--even during conscription. The Army improvement in proportional numbers of high school graduates for FY 1981 over previous years was more significant than it was for DOD as a whole. Figures 1 and 2 demonstrate the dramatic upturn in the percentage of high school graduates coming into the force.

FIGURE 1

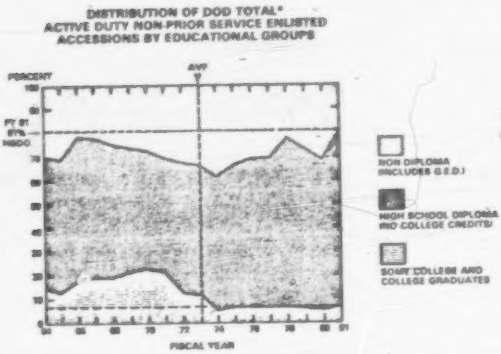
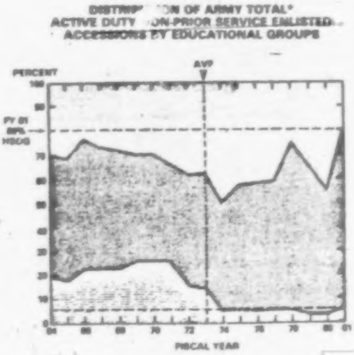

DISTRIBUTION OF DOD TOTAL*
ACTIVE DUTY NON-PRIOR SERVICE ENLISTED
ACCESSIONS BY EDUCATIONAL GROUPS

FIGURE 2


DISTRIB... ...ON OF ARMY TOTAL*
ACTIVE DUTY ...ON-PRIOR SERVICE ENLISTED
ACCESSIONS BY EDUCATIONAL GROUPS

*INCLUDES NPS MALES AND FEMALES INDUCTEES, REGULARS AND RESERVES WITH 2 OR MORE YEARS ACTIVE COMMITMENT)

Recruiting of high school diploma graduates for the AVF continues to be successful in FY 1982. Table 10 shows that the Army, during the first quarter of FY 1982, took in about 1500 more male HSDG than for the same period last year. However, the Army male HSDG percentage slipped from 72 percent to 66 percent due to increases in Army's total NPS accessions.

Table 10

FIRST QUARTER FY 1982 & FY 1981 NON-PRIOR SERVICE ACCESSIONS
HIGH SCHOOL DIPLOMA GRADUATES

Total Number (Thousands)

	FY 1982 Thru December			FY 1981 Thru December		
Service	Male	Female	Total	Male	Female	Total
Army	15.8	4.7	20.5	14.3	4.0	18.4
Navy	11.3	2.3	13.6	13.0	2.0	15.0
Marine Corps	5.6	.5	6.2	5.7	.4	6.1
Air Force	13.5	2.2	15.7	12.2	2.6	14.7
DOD Total	46.2	9.8	55.9	45.3	9.0	54.2

Percentage of NPS Accessions

	FY 1982 Thru December			FY 1981 Thru December		
Service	Male	Female	Total	Male	Female	Total
Army	66	100	72	72	94	76
Navy	72	91	74	73	92	75
Marine Corps	76	100	78	70	100	72
Air Force	91	91	91	85	84	85
DOD Total	75	96	78	75	91	78

The "quality" of enlisted accessions is also evaluated on the basis of Armed Forces Qualification Test (AFQT) scores. These scores, along with aptitude composite scores derived from the Armed Services Vocational Aptitude Battery (ASVAB), are used in conjunction with educational, medical, and moral standards to determine applicant enlistment eligibility, enlistment guarantees, and assignment to occupations.

For reporting purposes, AFQT scores have traditionally been grouped into five broad categories. Persons who score in Categories I and II are considered to be above average in trainability; those in Category III, average; those in Category IV, below average; and those in Category V, markedly below average and, under current Service policy, not eligible to enlist. We prefer enlistees in the higher AFQT categories because training time and associated costs are lower, and these recruits are more likely to qualify for specialized training in a greater number of occupational areas.

The number of non-prior service enlistees who scored average or above on the AFQT rose by 21,700 in FY 1981 over FY 1980 (Table 11). This represents an increase from 69 percent in FY 1980 to 82 percent during FY 1981. The Army experienced the largest increase -- from 50 percent to 69 percent. These increases in AVF recruit quality resulted from intensified recruiting efforts, increased emphasis on the recruitment of highly qualified youth, enhanced military pay, compensation, bonuses, and benefits, a much improved public attitude toward the military and the economy.

Table 11

NON-PRIOR SERVICE ACCESSIONS--MALES AND FEMALES
AFQT Categories I-III
(Thousands)

	FY 1981		FY 1980*	
Service	Number	Percent	Number	Percent
Army	81.5	69	79.3	50
Navy	80.6	88	72.5	82
Marine Corps	35.7	87	30.6	73
Air Force	71.4	93	65.0	91
DOD Total	269.2	82	247.5	69

*Revised FY 1980 AFQT Distributions

In 1980, we sponsored a major research effort to assess the vocational aptitudes of contemporary youth in general. Data were obtained by administering the ASVAB to a nationally representative sample of about 12,000 young men and women. The results of this study enable us to make, for the first time, a valid comparison between the test scores of AVF recruits and the general youth population from which they are drawn.

Table 12 compares the AFQT score distributions of FY 1981 non-prior service accessions with the score distributions of the youth population in general. Since the Services primarily recruit individuals who are 18 and older, we compared them with persons who were between the ages of 18 and 23 at the time of testing. It can be seen in Table 12 that DOD enlisted a slightly smaller proportion of individuals with above-average scores (Categories I and II combined) than were found in the 1980 youth population. However, the proportion of recruits scoring in the average range (Category III) was considerably higher and the proportion of recruits in the below-average range (Categories IV and V combined) was lower than the norm. In fact, 80 percent of all AVF non-prior service accessions in FY 1981 received scores within AFQT Categories I through III, compared with only 69 percent of young people in general.

Table 12

COMPARISON OF THE AFQT CATEGORY DISTRIBUTIONS OF THE
1980 YOUTH POPULATION AND FY 1981 NON-PRIOR SERVICE ACCESSIONS
(Percent)

Population	AFQT Category* I	II	III	IV	V	TOTAL
1980 Youth Population	4	33	32	24	7	100
1981 Accessions						
DOD	3	30	47	20	0	100
Army	2	21	43	34	0	100
Navy	3	35	48	14	0	100
Marine Corps	3	30	53	14	0	100
Air Force	3	39	50	8	0	100

*Category V personnel are not eligible for enlistment.

In FY 1981, DOD exceeded the quality standards mandated by Congress on non-prior service enlistees. While DOD is committed to manning the force with the right numbers and kinds of recruits, we continue to believe that these restrictions hinder management flexibility, require additional recruiting resources and could affect our ability to meet manpower requirements in the future. We feel, therefore that these restrictions should be rescinded.

Table 13

CONGRESSIONAL CONTROLS ON QUALITY ACCESSIONS
(FY 1981 and FY 1982 DOD Authorizations Acts)

Fiscal Year	Maximum Percent Category IVs	Minimum Percent High School Graduates
1981	25 DOD Average	65 - Army Males
1982	25 Each Service*	65 - Army Males
1983	20 Each Service	No Restrictions

*The FY 82 Authorization Act requires all Category IV enlistees to be high school graduates.

In FY 1981 we enjoyed a very successful recruiting year. However, it is important that comparisons be put into perspective. FY 1981 was marked by a sluggish economy, a very large increase in military pay and compensation, a more favorable public attitude toward the military and sufficient recruiting resources.

In the future, it is possible that these factors may become less favorable. Moreover, a declining youth population--the most predictable challenge facing military manpower procurement programs for the remainder of the 1980s--as well as increased efforts by academia and industry to recruit a greater share of that declining population, may also make recruiting more difficult. We are attempting to meet this challenge by reducing the demand for new male accessions through reducing attrition, increasing the career content of the force and enhancing our enlistment inducements.

We have implemented various management initiatives to increase recruiter productivity and improve recruiting management. We doubled the size of Joint Service advertising for enlisted recruiting programs by adjusting the overall Services advertising budgets. We have been working with various intergovernmental agencies to place military career/occupational information in high schools, post-secondary schools, and state employment agencies. The Services have redesigned recruiter training courses, revised policies on selection and retention of recruiters, implemented actions to improve the alignment of recruiters and markets, modified competition systems to emphasize quality enlistments, and are enhancing their automated job reservation systems for quicker and more accurate response and better quality control.

In order for the Services to continue to attract and retain the manpower we need to sustain force readiness, it is essential that a Service enlistment continue to be perceived as an honorable, rewarding career choice and that the Services have a competitive enlistment package with the requisite level of recruiting resources to make youth aware of Service opportunities.

The recruiting resources we are requesting in the FY 1983 President's budget are being programmed to address both the increased accession requirements and the Congressional mandate concerning recruit quality. By way of illustration, because of DOD and Service actions taken to correct the enlistment test calibration problem that occurred during FYs 1976-1980 and meet the FY 1982 Congressional constraint on Category IV enlistments, the Army, in FY 1982, must recruit 24,700 more men and women from the upper mental categories than it attracted in FY 1980. This problem is compounded in FY 1983 because there will be a further increase in accession requirements and the Congressional constraints will become even more restrictive. The Army's efforts to meet these increased quantity and quality requirements in FY 1983 will have an impact on the recruiting efforts of all the Services and will cause a substantial increase in our demand for high quality youth--with no corresponding increase in supply. In short, greater effort will be demanded of our recruiting force and it will be more costly. It is therefore imperative that the Services be provided the requested recruiting resources for FY 1983.

Bonuses are a highly flexible and efficient means of improving recruiting because compensation dollars are applied to specific recruiting problems. Enlistment bonus levels and the skills for which bonuses are offered can be adjusted to reflect supply and demand. The Department of Defense appreciates the enactment of the Uniformed Services Pay Act of 1981 which authorized an increase from a maximum bonus payment of $5,000 to $8,000 for a four-year enlistment. In addition, the new pay legislation authorized up to $4,000 as a bonus for a three-year Army enlistment. This more flexible program will allow DOD to react quickly to future recruiting and manning problems that may arise because of an improving economy and a reduction in the size of the youth cohorts in the 1980s.

As directed by Congress, DOD is designing a test using the full range of enlistment bonuses authorized to test the effectiveness of various bonus levels for four-year enlistments, various bonus levels for three-year enlistments, and the interaction between the three and four-year bonus programs. The test program should be implemented by late FY 1982.

As we face a tighter recruitment market in the 1980s, it is reasonable to assume that enlistment bonuses will continue to be an important tool in achieving our recruiting goals. The exact amount of future enlistment bonus payments will naturally have to be balanced with the availability and magnitude of other recruitment incentives.

Educational Incentives

During FY 81, the Department conducted a nationwide test of the effects of four educational benefit programs. In the Basic Contributory Veterans' Educational Assistance Program (VEAP) for all Services, the servicemember's contribution was matched by the government at a rate of 2-for-1; the maximum basic benefit was $8,100, but supplemental kickers of up to $6,000 were available for the Army. The other programs included Basic VEAP for all Services with supplemental kickers of up to $12,000 for the Army; noncontributory VEAP for all Services with a basic benefit of $8,100 and supplemental kickers of up to $6,000 for the Army and a noncontributory tuition/stipend program of up to $15,600 for all Services. Each program was targeted on critical skills. The test results were systematically controlled for possible outside imbalances, and a survey was conducted to ascertain the level of awareness of the program by recruits and the extent of the program's implementation.

The test results show that educational benefits can produce statistically significant increases in high quality enlistments. A uniform benefit across all Services, however, would reduce high quality Army enlistments and draw recruits out of combat skills into more attractive jobs. Even though these test programs offered benefits only to recruits in critical skills, the overall number of high quality recruits increased. This leads us to conclude that differential benefits can improve manning in hard-to-fill areas while at the same time improving the overall quality of the force.

The Department is in the final stages of developing its recommendations on educational benefits for military personnel. Any program must improve force manning and balance both the recruiting and retention needs of the various Services. This, of course, must be accomplished within a limited Federal budget.

While the FY 81 test and independent analyses have shown that educational benefits are likely to increase the number of high quality recruits, post-service educational benefits have a possible negative effect on retention. These benefits could encourage people to leave the Service to take advantage of them. Any new benefit program, therefore, must be designed to counter this negative effect. The Department is considering several ways to reduce this incentive to leave such as increased in-service use of educational benefits and the option of transferring the benefit to dependents.

Enlisted Career Force

Career manning in each Service is a function of reenlistment propensity, cohort size, skill mix, and overall requirements. Difficulties in manning the Services with careerists--those with more than four years of experience--

did not occur overnight and will not be corrected quickly. Quite possibly the single most important loss during the volunteer era was the exodus of unusually large cohorts of experienced people who entered service in the Korean War period and reached retirement eligibility in the 1970's. At the same time, a series of small cohorts--resulting from the low first-term reenlistment rates during the Vietnam years--entered the career force. Eroding military pay and reenlistment bonuses, degraded living and working conditions, and the spiral effect caused by longer hours and more overseas/sea tours for those who remained combined to increase the number of people who left the Services.

As a result, all the Services, have had and will continue to have substantial shortfalls in mid-career level people. Experience-level shortfalls can only be solved through consistent reenlistment success over a number of years. Five to six years of successful retention of young careerists now in service will be needed to reduce the shortage of personnel with 12 to 20 years of experience. Until we rebuild our experienced human capital base, the Services will continue to substitute people with less experience. Each Service is striving to ensure the increased retention of young and mid-level careerists--a goal each has succeeded in achieving--for the past two years.

For this reason, and as a result of mission requirements, study recommendations, and improved retention, we estimate that AVF career force strengths will grow substantially in the FY 83-87 period for all the Services. A proper balance of experience levels is unique to each particular Service, and each is reviewing its career force objectives. The likely outcome is a force with a richer career content. The Services may temper growth in their career force to some extent by raising reenlistment standards to upgrade the caliber of their career personnel. The estimated growth in the career force reflecting increased end-strength and increased career content is shown in the following table:

Table 15

Enlisted Career Force
(5 to 30+ years of service)

FY	Army	Navy	Air Force	Marine Corps	Total
81 Actual	283.4	201.2	233.8	49.5	767.9
82	297.1	212.2	241.5	54.0	804.8
83	298.5	222.9	245.3	56.1	822.8
84	300.5	234.2	249.8	58.5	843.0

Retention in the AVF has shown significant improvement. The major problem we inherited from the 1970s--a discouraged outlook on the part of our military personnel, manifested in declining retention and poor morale--has been solved. The 1980 and 1981 pay raises, expanded eligibility and increased rates for special and incentive pays, and an enhanced bonus program have confirmed to military people that the trend of the late 1970s is being reversed by restoring military pay to a level competitive with the civilian sector.

Table 16

DOD Reenlistment Rates 1/
Active Duty Enlisted Personnel

	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82 (Thru Dec)
First Term									
Army	33.2	38.6	21.4	33.1	35.6	43.0	50.6	55.0	63.1
Navy	32.9	39.9	35.2	36.9	40.3	37.5	36.7	41.7	52.8
Marine Corps	16.6	20.4	26.4	29.4	29.1	19.5	23.2	26.6	37.8
Air Force	31.1	40.1	37.3	39.0	41.1	38.0	35.8	42.9	54.4
DOD	30.0	36.8	29.8	35.0	37.1	37.4	39.1	43.0	54.3
Career									
Army	74.5	75.4	70.8	69.5	68.6	66.4	69.3	72.6	83.5
Navy	80.3	80.5	74.8	68.1	63.5	62.2	67.0	72.8	81.1
Marine Corps	79.6	73.1	77.6	71.6	69.1	51.9	50.4	73.8	78.7
Air Force	89.8	89.6	81.9	86.2	82.2	81.5	81.8	86.1	89.2
DOD	81.4	81.5	76.3	74.8	71.5	68.2	70.5	76.5	84.1
Total									
Army	51.0	53.1	42.9	51.8	53.9	56.2	62.2	66.7	74.2
Navy	54.4	58.2	49.7	49.4	50.5	47.3	48.2	54.6	66.2
Marine Corps	29.3	33.9	41.4	42.8	42.5	33.5	35.4	43.2	53.5
Air Force	57.9	68.1	61.9	65.9	66.2	60.4	60.0	65.8	72.9
DOD	51.6	56.6	50.5	54.5	55.1	52.9	55.4	60.6	69.3

1/ Excludes inductee reenlistments.

While we are optimistic about future success, difficulties remain. Certain skills, either because of their arduous nature--such as combat arms skills--or the high level of competition from civilian industry--such as electronics, nuclear, and computer skills--have either severe shortages, extraordinarily high replacement costs, or both. Operating and maintaining an increasingly complex and demanding military force requires special pay incentives to retain personnel in undermanned critical skill assignments. As overall retention and experience levels improve, we must align manpower demand and supply in all skills and prevent skill imbalances from developing. Selective reenlistment bonuses (SRB) are a flexible and cost-effective way of competing in the labor market for skills critical to the military. An adequate compensation base and aggressive but judicious use of special monetary incentives will contribute significantly to solving retention and experience problems in specific skills.

The FY 1982 Defense Appropriation Act and accompanying Conference Report dramatically affected the administration of the SRB program by directing that the practice of paying the full bonus in a lump sum be terminated. Now only up to 50% of the total bonus may be paid at the time of reenlistment. The remaining 50% is to be paid in equal amounts over the rest of the reenlistment contract period. While we continue to refine our assessment of the impact of this change, our initial analysis shows that the retention effect of the bonus will be reduced by about 15%. This translates to a loss of about 2,000 reenlistments we would otherwise have had.

In December 1981, before beginning to use the FY 1982 pay raise in bonus computations, the Services accelerated their normal semi-annual reviews of bonus levels. These reviews were completed by mid-January 1982 and as a result bonus levels have been reduced for 59 skills and 65 skills removed from the SRB program. DOD will submit a report to the Congress by May 1, 1982 evaluating possible modifications or alternatives to the present system for determining and paying bonus awards. A task group has been formed consisting of representatives from each Service, who will work closely with the ASD(MRA&L) staff, to prepare the report and recommend appropriate legislative changes.

In summary, current reenlistment rates are among the highest ever experienced. The increases are attributed to the compensation initiatives recently enacted and to aggressive use of reenlistment bonuses by the Services. Increased retention rates have not yet proven to be permanent or sustainable and, in the short run, they do not solve problems such as individual skill shortages, quality and distribution imbalances. Substantial skill/grade shortages and imbalances still exist within the total number of careerists. The Services have started implementing policies and procedures needed to maintain the career force and redistribute careerists into shortage and imbalanced skills. The prospect of an improving economy, and an expanding industrial base will make retention more difficult. Increases in force strength will put additional pressure on our retention effort. I believe, however, that our lessons learned from the mistakes of the past will enable us to continue making the AVF a success.

Training

When the Services receive new recruits, it is vitally important that they be properly trained in fundamental military skills and transformed into disciplined service members. Each new member must then be taught a specific military skill. The Services continuously review the courses that provide this training to make sure they are current and the trainees will be productive when they join their operational units. Recent reviews have led to the conclusion that two types of training for new recruits should be lengthened to a moderate degree:

- The Army is adding one week to its recruit training and one-station unit training (OSUT) courses, as approved in the FY 1982 budget. The extra training time will allow more thorough training in combat skills and a more rigorous emphasis on discipline.

- The Air Force is continuing the increase, begun in FY 1982, in the average length of its initial skill training courses. The goal in FY 1983 is an average length of 12.3 weeks--1.3 weeks over their average length in FY 1981. However, the new length will still be well below the 14-week average that existed in 1975. Most of the increase will be applied to maintenance training in order to raise the standard of maintenance work by lessening the training burden on operational units and providing them with better qualified maintenance personnel.

While more adequate compensation is improving NCO retention, the Services still are short of middle-grade NCO's, especially in technical skills. Many junior NCO's who occupy positions that would normally be filled by middle-grade NCO's lack technical knowledge and experience required for their positions. Each of the four Services is taking action to provide more training to support NCO development.

Providing operational units with individuals who are properly trained in required skills is a first step in the training process. The second step is to develop team skills so that operational units, from squads to large joint forces, are ready to carry out their wartime missions successfully. Since unit training can be very costly, especially in terms of fuel and ammunition, it is critical that we make sure all such training is as effective as possible in raising unit proficiency.

Modern training technology is helping us to achieve this objective. The training we are now offering at the Army's new National Training Center (NTC) at Fort Irwin, CA is a prime example. Fort Irwin has the space and facilities for wide-ranging opposing-forces maneuvers and live-fire exercises by battalion-sized armor task forces. Personnel of two battalions, usually one tank battalion and one mechanized infantry battalion plus supporting units, fly to the NTC, draw equipment and engage in two weeks of intensive exercises. In the opposing-forces phase, the battalions maneuver against an "enemy" force that uses actual or simulated Soviet equipment and Warsaw Pact tactics. Both sides are equipped with MILES, a system of low-intensity lasers that simulate direct fire and laser detectors which register hits and near misses. This equipment makes it possible to learn how to defeat an enemy by fire and maneuver without taking excessive casualties--lessons that cannot be learned as effectively in conventional, dry-fire maneuvers. In the live-fire phase, the battalions maneuver against an array of hundreds of pop-up targets that appear and disappear in sequences that simulate standard Warsaw Pact tactics. During both phases instrumentation continuously records the location on the ground of each maneuvering player, shots fired and the results. This information, fed to a central control center, becomes the basis for detailed post-exercise reviews with the player units. This type of training turns what would otherwise be a rather routine, sterile exercise into a profound learning experience that will be invaluable in the shock of combat.

The Department's interest in simulation in training is undergoing two important changes of emphasis. First, without reducing the degree of emphasis on flight simulators, we have become increasingly interested in the potential of simulation as a means of improving the quality of other types of training. Second, we have concluded the chief value of simulation is in raising the effectiveness of training rather than in saving operating costs, although, of course, when costs can be saved without undue sacrifice of the gains in training effectiveness, we will capitalize on the savings. Two examples will illustrate these points.

Perry-class frigates must be able to cope simultaneously with air, surface and sub-surface threats. It is difficult to duplicate the multiple threat in exercises at sea and impossible to replicate parts of it, such as incoming anti-ship missiles. The Navy is developing a pierside, van-mounted trainer that will simulate the threat as a whole so that combat information center and sonar teams can develop skills while the ship is in port. The payoff lies in having a crew that can operate the frigate in combat at close to its full potential rather than at some lower level.

The Air Force is using a set of maintenance simulators to train mechanics of units changing to F-16's. Without simulators a unit would either have to have extra aircraft to train mechanics, which would be very expensive, or divert aircraft from aircrew training, which would extend the time the unit remains in transition and is not combat ready. Further, mechanics can be trained quicker on simulators than on the actual aircraft. They can also practice procedures that cannot be safely practiced on operational aircraft--for example, detuning engines--so the students can learn to tune them.

Finally, I wish to draw your attention to a cooperative international training project now in operation after eight years of study and negotiation. The Euro NATO Joint Jet Pilot Training (ENJJPT) program was formally opened at Sheppard Air Force Base, TX, in October 1981. ENJJPT operates on the principle of proportionate funding and sharing of instructor pilot manning and it uses a syllabus agreed on by the 12 participating nations. Ultimately, the program will have a capacity of 320 graduates per year, 110 of them US. We anticipate that training together will do much to enhance the ability of the NATO air forces to cooperate successfully in combat.

In summary, we are making substantial strides toward better training. With the continued support of the Congress, we will provide our service members and military units with the tough, realistic training they must have to meet the challenges that lie ahead.

Officer Accession and Retention

With a few exceptions, we are achieving desired officer accession and retention objectives. Unfortunately, the exceptions are in the high skill, high cost areas, such as the pilot, nuclear qualified, and engineering officer communities.

In regard to aviators, we believe that actions taken last year--raising warrant officer flight pay to comparable levels authorized for commissioned officers, increasing air crew incentive pay, authorizing aviation continuation bonuses for the Navy and Marine Corps (an option that aviators in these Services can chose in lieu of the higher Aviation Career Incentive Pay rates), and implementing a voluntary recall program--will continue to help reduce shortages for all services in the long run.

We have also committed ourselves to reducing shortages that currently exist in certain engineering communities. Again, we believe the principal factor behind these shortages has been the gap in compensation between civilian industry and the military. Further, we feel these shortages can be reduced to manageable levels through judicious application of Congressionally approved increases in ROTC scholarships and the engineer continuation bonus. We anticipate these two actions will enable us to reach both our accession and retention goals in this highly competitive market.

Women and Minorities

We have given considerable attention to the subject of military women since the Army--as a result of concerns expressed by some commanders in the field--announced last February it would suspend a programmed increase of active duty female enlisted end strength and stabilize the numbers of women at 65,000 while it assessed their impact on mission capability.

Let me put the Army's need for assessment in context. In the past decade, in contrast to prior years, the numbers of military women have increased rapidly because of two developments: first, the desire of women throughout our society to achieve the equity of pay and job opportunity enjoyed by their male counterparts; second, the willingness of highly qualified women to take advantage of the rewarding and satisfying careers available in the military.

In response to these considerations we rapidly increased the numbers of women in our total force as can be seen in Table 17. Overall, the percentage of women in our active duty force has risen from 1.5% in 1972 to 8.7% today. In 1972, there were 12,600 female officers in the services; in 1981, they numbered over 23,300. In 1972, there were over 32,400 enlisted women on active duty. By the end of FY 1981, there were 156,800.

The surge in numbers of military women was accompanied by a significant expansion in the numbers of skill areas open to them. Today, 95% of all skills are open to women. Only positions classified as combat or closely related to combat are closed. Among open skills, however, women are only marginally represented in ones traditionally considered to have potential for combat--such as assignment to flight crews. The Army's constraints are a matter of policy, not law, whereas constraints in the other Services are the result of statutes and policies derived from the statutes. Consequently, Navy and Marine Corps women may be assigned only temporarily to combatant ships and permanently assigned to auxillaries so long as those ships are not engaged in combat missions. Also, women in the Navy, Marines and Air Force cannot serve as crew members in aircraft designated as combatant.

During this same 10 year period there was also a shift from the employment of women in the traditional skills (primarily clerical and medical fields) toward nontraditional skills (such as the fields of communications and equipment repair). For example, in 1971, about 54 percent of all military women were in the support and administrative skill area as compared to about 31 percent in 1980.

Table 17

Women in the Military 1971-1981

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
DOD	42,323	44,498	55,070	74,457	96,750	109,038	117,722	133,292	149,937	170,238	183,594
Army	16,874	16,770	20,738	30,695	42,333	48,645	51,367	56,570	61,692	68,959	73,266
Air Force	14,850	16,491	19,755	24,232	30,213	34,202	39,602	46,720	53,320	59,890	63,019
Navy	8,346	8,908	12,289	16,792	21,017	22,738	22,917	24,917	29,057	34,683	39,693
Marines	2,253	2,329	2,288	2,738	3,187	3,453	3,836	5,085	5,958	6,706	7,616

The expansion of opportunities for women has been beneficial for women and for the military. Numerous studies and actual job performance measures have shown that military women perform their jobs and assigned tasks in a highly effective and professional manner. The most recent of these was conducted by my staff in conjunction with the Services. The results were published in October 1981 in Background Review -Women in the Military. The Review reported on such areas as the accession and representation of active duty women over the past 10 years, the training available to them, their job performance, and their promotion rates. It pointed out the areas on which we must continue to work in order to integrate men and women into successful teams. Examples of these are appropriate leadership and supervisory training, availability of uniforms and equipment for women, and physical standards and testing to assist in the occupational assignment of individuals--both men and women. The Review's basic finding, like several other reports, is that military women are exhibiting the same high degree of competence that military men have.

The Services currently plan to increase the number of military women from 180,000 to about 209,000 over the next five years. In our annual program development process we have and will continue to review recruit, assignment, utilization, and mission capability aspects of women in the military. I can assure you that decisions in these areas will be reached on the basis of sound analyses, not biases and emotionalism.

The minority composition of the armed forces began to grow during the Vietnam War, and it has continued to increase even more rapidly, in the All-Volunteer Force.

The overall minority composition of the active armed forces is now 27.6 percent. The composition of the officer force includes 9.4 percent minorities, while the enlisted force is 30.5 percent.

The female population of the armed forces is 31.6 percent minority. 16.3 percent of all female officers and 30.2 percent of the female enlisted force are members of minorities.

In the male-only population, minorities constitute 27.2 percent of the total active force--8.8% of all male officers and 30.2 percent of enlisted members. During the period FY 82-84 we predict no significant changes in the percentages of minorities in the armed forces. Tables 18 and 19 present a detailed racial/ethnic and gender breakout.

The Department of Defense is deeply committed to equal opportunity and the equitable management of all human resources. Our goal is to allow each person in the armed forces to realize the fullest of his or her potential in any career field for which he or she is qualified, regardless of gender, race, or ethnicity.

Quality of Life

The human dimension of service life--the environment in which our military people live and work--is a primary concern of this Administration. It demonstrates our conviction that Armed Forces personnel are our most important asset. Improving the Quality of Life is vital to the recruitment, retention, discipline, morale, and readiness of military members.

Table 18

Minority Enlisted Composition of the All Volunteer Force (AVF)

Enlisted-Male/Female

Black	Hispanic	American Indian Alaskan Native	Asian Pacific Islander	Other
394,803 (22.1%)	72,376 (4.1%)	13,571 (.8%)	38,270 (2.1%)	25,137 (1.4%)

Enlisted-Female Only

Black	Hispanic	American Indian Alaskan Native	Asian Pacific Islander	Other
43,973 (27.4%)	5,059 (3.2%)	1,335 (.8%)	1,769 (1.1%)	2,096 (1.3%)

Enlisted-Male Only

Black	Hispanic	American Indian Alaskan Native	Asian Pacific Islander	Other
350,830 (21.6%)	67,317 (4.2%)	12,236 (.8%)	36,501 (2.2%)	23,041 (1.4%)

Table 19

Minority Officer Composition of the All Volunteer Force (AVP)

Officer-Male/Female

Black	Hispanic	American Indian Alaskan Native	Asian Pacific Islander	Other
14,133 (5.3%)	3,318 (1.2%)	969 (.4%)	2,653 (1.0%)	4,145 (1.5%)

Officer-Female Only

Black	Hispanic	American Indian Alaskan Native	Asian Pacific Islander	Other
2,385 (10.3%)	335 (1.4%)	87 (.4%)	373 (1.6%)	606 (2.6%)

Officer-Male Only

Black	Hispanic	American Indian Alaskan Native	Asian Pacific Islander	Other
11,748 (4.8%)	2,983 (1.2%)	882 (.4%)	2,278 (.9%)	3,539 (1.4%)

We are committed to improve the living and working conditions for our military personnel. Poor living and working conditions are hurting the readiness of our forces and are discouraging people from reenlisting.

Principal initiatives in Fiscal Year 1981 were to improve living conditions in remote, overseas locations; to upgrade the quality of child care programs; and to improve the delivery of family services for the 54% of Armed Services personnel who are married. To improve afloat conditions, the Navy is enhancing shipboard habitability. Although space on a ship is limited, amenities are being added to make sea duty somewhat more tolerable.

To improve conditions ashore, each service has constructed new facilities, or replaced or modernized existing inadequate facilities. However, these efforts have been underfunded in past years. Accordingly, at the end of FY 1982, the construction and maintenance backlog is expected to be $47 billion--about $10 billion of that backlog in Europe. The Department plans to increase expenditures on facilities to reduce the construction and maintenance backlog. Funding to reduce this backlog will nearly double between FY 1982 and FY 1987. This will enable us to cut that backlog in half.

Additional initiatives which we are considering in FY 83 include educational and employment opportunities for spouses, and improved medical and dental services for family members. In accordance with the President's program we will also direct more effort toward self-help projects and use of volunteers in community and youth activities.

Military Compensation

Beginning with the Nunn-Warner Bill in September 1980, substantial improvements have been made in military compensation over the past two years. These actions reversed an erosion in the levels of compensation and benefits that began in the mid-1970s and led to severe recruiting and retention problems. The Uniformed Services Pay Act, signed by President Reagan on October 14, 1981, continued the compensation improvement trend. Specifically, this act provided an overall 14.3 percent increase in basic pay, basic allowance for quarters (BAQ), and basic allowance for subsistance (BAS)--the largest increase in the past 30 years; increased the rates and expanded the eligibility for hazardous duty incentive pay, increased aviation career incentive pay (ACIP) rates and provided ACIP to aviators performing operational flying duty after 25 years of service; equalized warrant and commissioned officer ACIP rates; provided authority for increased diving duty pay (from $110 per month to $300 per month for enlisted and $200 per month for officers); increased the maximum enlistment bonus from $5,000 to $8,000 and provided the authority for a 3-year enlistment bonus program for the Army; authorized a scientific and engineering continuation bonus for officers; and made a number of improvements to travel and transportation allowances.

With the substantial improvements in compensation over the past couple of years, we believe that service pay is no longer a deterrent in achieving our recruiting and retention goals as it was in the mid-to-late 1970s. Our major need in the future is to maintain the gains that have been made. We must also insure that military compensation levels are not allowed to deteriorate vis-a-vis civilian pay levels as was the case in the 1970s. With the exception of several selected initiatives, such as a dental program under CHAMPUS for military dependents and increased cost of reimbursements for change of station moves, our primary objective in compensation will be to provide military pay raises that match salary increases in the civilian sector and allow us to remain competitive in meeting our manpower requirements. To assist in this regard, we have appointed a task group to report later this spring on the adequacy of alternative military pay adjustment mechanisms.

III. RESERVE FORCES MANPOWER

The Ready Reserve of the United States constitutes an armed force of over 1.3 million men and women whose sense of duty and demonstrated ability is a cornerstone of our national defense posture. The Reserve Components make a large and indispensable contribution to the daily work of our Active Component forces. Their mission today demands that they be as dedicated and professional as their Active Component counterparts. The capabilities they represent have resulted in their full integration into the daily operations and contingency requirements of the Total Force. In many senses they are part time professionals.

In addressing the subject of Reserve manpower it is important to recognize that Reserve Component units of the Army, Navy, Air Force and Marine Corps, and Army and Air National Guard supply one-half of the combat and two-thirds of the combat support capability of the Total Force. Many of these units will be committed to combat immediately following mobilization, some of them before regular units. Therefore, enhancing the recruiting and retention of personnel for the Guard and Reserve and ensuring their equipment and training leads to true combat capability is vital to our national security.

Selected Reserve Strength

The past three years have been increasingly successful in improving the strength of the Ready Reserve, both Selected Reserve and Pretrained

Individual Reservists. This growth follows a period from FY 1974 through FY 1978 in which strength drastically declined. The first two months of FY 1982 continued to show increases in strength.

Table 20 displays the strength of the Selected Reserve by component for the period end-FY 1981 through end-FY 1984.

Table 20

SELECTED RESERVE STRENGTH BY COMPONENT
(End FY - 000's)

Component	FY 1981 Actual	FY 1982 Estimate	FY 1983 Request	FY 1984 Planned
Army National Guard	389.0	398.0	417.0	435.9
Army Reserve	225.2	251.9	268.5	286.2
Naval Reserve	87.9	94.0	105.8	106.5
Marine Corps Reserve	37.0	38.5	39.7	41.0
Air National Guard	98.3	100.1	101.8	103.2
Air Force Reserve	61.6	63.7	66.6	68.6
DOD Total	899.0	946.2	999.5	1,041.4

Overall, the FY 1983 request will allow the DOD to fill 86% of its Selected Reserve wartime unit requirements. The trained strengths of the Air Components and the Marine Reserve are between 95% and 98% of their requirements for FY 83. The Army Components are filled at 85% of their requirements and the Naval Reserve at 81%.

From the end of the draft and the beginning of the All-Volunteer Force in FY 1974 through the end of FY 1978, the Reserve Components experienced a significant decline in strength--136,800 men and women. In the Army National Guard and Army Reserve alone this decline totaled 111,500. Since FY 1979 the Department has had an aggressive program to build strength in the Selected Reserve. This section will concentrate on those initiatives which have been successful in rebuilding that strength.

In FY 1979 Congress authorized and funded an incentive program for enlistment and reenlistment in the Selected Reserve. This program has been increased every year since then. Its actual cost was $12.8 million in FY 1979, $23.5 million in FY 1980 and $47.0 million in 1981. We expect to spend $74.4 million in FY 1982 and are requesting a total of $94.8 million for these incentives for FY 1983. The authorized incentives are an enlistment bonus, educational assistance program, reenlistment bonus, affiliation bonus and a student loan repayment program. The latter two were authorized for FY 1981 but their effects will not be measurable until sometime later this year. The FY 1982 DOD Authorizations for Appropriation Act extended the authority for the Affiliation Bonus through FY 1985 and Loan Repayment through FY 1983. As reflected in our 1978 reenlistment test program, the average term of commitment was 4.4 years for the test region and 1.3 years for the control region. This significant change in terms of commitment is reflected in the increasing strength of our Reserve units.

In addition to a successful incentive program, we offer non-prior service individuals shorter enlistment terms in the Selected Reserve. Those joining the Army Selected Reserve may do so for a 3-year term with 3 additional years to be served in the IRR. Those joining other Services' Selected Reserve may do so for 4 years, with a balance of 2 years in the IRR. In the past a full 6 years in the Selected Reserve was required of all enlistees.

To make Reserve service available to more people, a split training option was begun to allow students to participate in the Selected Reserve without interfering with normal school schedules. By splitting the usual 12-week initial active duty for training period into two increments, we can enlist high school and college students while they are still in school.

The unprogrammed loss of members before they completed their contractually-obligated term was once the major cause of strength shortages. To combat this, a program for the control of attrition has been implemented. This program encompasses the establishment of loss reduction goals; an accession cohort tracking system for better management; an increase in the Full-Time Support Program to upgrade training and readiness; revision of existing outmoded regulations; research in recruiting and retention; improvement of financial incentives; and improvement of training and leadership. The gain in the past three fiscal years of over 111,000 personnel as opposed to the loss of 109,000 in the preceeding three fiscal years is ample evidence of our programs to counter attrition.

Pretrained Individual Manpower

One of our most serious concerns is that enough individuals with prior military training are immediately available as fillers for understrength units and replacements for casualties during the early days of a full mobilization before new enlistees or inductees can be called up and trained. This demand can only be met by pretrained manpower--members of the Individual Ready Reserve (IRR), Inactive National Guard (ING), Standby Reserve and retired military personnel.

Pretrained Manpower Strength and Initiatives Through FY 1981

Initiatives to improve IRR strength have resulted in an increase of about 77,000 individuals since its low point in mid-1978. These initiatives, primarily no-cost legal or policy changes, included stopping automatic transfers to the Standby Reserve, improving personnel management, streamlining administrative transfer procedures between the active force and the IRR, transferring individuals with mobilization potential to the IRR in lieu of discharging them from the active force, and giving women and enlistees 26 years of age and older the six-year service obligation. Other initiatives, already implemented, which will increase the size of the IRR in future years include starting an enlistee's six-year obligation from the time he/she begins active duty instead of from the time he/she signs an enlistment contract and requiring prior service enlistees to complete any portion of the unfulfilled six-year military service obligation.

While these low-cost or no-cost initiatives have significantly increased IRR strength, by themselves they cannot increase strength sufficiently to meet wartime requirements. The no-cost initiatives have been virtually exhausted. Without new programs to retain people in the IRR or provide another method of entry into it, IRR strength will remain relatively constant as shown in the following table.

Table 21

IRR STRENGTH BY SERVICE
(End FY - 000s)

Service	FY 1980	FY 1981	FY 1982	FY 1983
Army (Includes ING)	212	223	203	226
Navy	97	99	110	106
Marine Corps	57	52	57	58
Air Force	47	45	41	45
DOD Total	413	419	411*	435

*Except for no cost strength initiatives, IRR strength is a function of active force strength and can be expected to remain relatively stable.

Because the Army has the most serious mobilization manpower shortfall, the following table shows the FY 1980 Army requirements and supply of trained manpower and current projections for FY 1983. The shortfall is shown at its peak--about 90 days after a decision to mobilize for a major war in Europe that starts with little warning. At this time volunteers and inductees who entered the Armed Forces after M-Day will still be at the training bases.

Table 22

ARMY TRAINED MANPOWER REQUIREMENTS AND SUPPLY
FOR MOBILIZATION
(000s)

	Fiscal Year	
	1980	1983
Requirements	1,743	1,854
Manpower Available from: 1/		
Active Force and Selected Reserve	1,296	1,414
IRR/ING	149	192
Standby Reserves	9	0
Retirees	40	98
	1,494	1,704
Shortfall		
Number	249	150
% of Requirement	14%	8%

1/ Assumes different rates of availability from each manpower source.

The supply of mobilizable manpower is projected to increase by over 200,000 from FY 1980 to FY 1983, while Army requirements will increase by about half that number, resulting in a smaller shortfall in FY 1983 than in FY 1980. It should be noted that these are aggregate shortfall numbers which assume that all personnel are interchangeable; e.g., officer overages compensate for enlisted shortages. When manpower requirements and supply are separated for officers and enlisted personnel and then by skill, the shortfalls are much more severe than the aggregate numbers shown in the previous table.

The long-term solution to the shortage of pretrained individuals is to increase the length of the military service obligation above its current level of six years.

We are considering asking Congress to increase this obligation up to eight years. The amount of time served on active duty or in the Selected Reserve would not be affected but the time served in the IRR before normal discharge would be extended. This change would produce the manpower needed. However, because we do not think it should be retroactive, it will take six years after enactment before any gains in IRR strength are obtained. The legislative language has been prepared and is being staffed now. During the interim period other initiatives and incentives would be necessary to generate strength increases.

An enhanced IRR reenlistment bonus program appears to possess the greatest potential to increase IRR strength significantly in the near term. During FY 1981, Congress authorized a $600 reenlistment bonus for individuals who completed their military service obligation and reenlisted in the IRR or ING for three years. Initial results of this program seem to indicate that the bonus was too small to be effective in increasing strength to the desired degree. The bonus authority was not extended and the bonus ended on 30 September 1981. Currently, the only benefit of IRR membership is the opportunity to serve the nation quickly in the event of war--not a sufficiently attractive inducement to cause many IRR members to reenlist.

A proposal is being developed to reinstate and improve the IRR reenlistment bonus that was tested during FY 81. This program could be phased down or eliminated after the longer military service obligation goes into effect.

Another initiative is the IRR direct enlistment option that the Army will begin in FY 83. This program will seek to have individuals join the Army, attend initial training in shortage skills and complete their remaining service obligation in the IRR. These trained soldiers may either opt for service on active duty or in the Selected Reserve. A modest enlistment bonus for this program is proposed. Extended IRR service would require periodic refresher training for skills to be retained.

A proposal currently being considered would open eligibility for Servicemen's Group Life Insurance (SGLI) to members of the IRR. These Ready Reservists are subject to recall during a national emergency but are presently excluded from participation in this program. Since premiums would be paid by the individual concerned, it would be essentially a no-cost program to the government.

To be consistent with our goal to create a more viable pretrained manpower resource, we need to provide the Services with the funds and manpower to manage properly these assets. This management includes personnel records updating and maintenance; screening of key employees; providing physical examinations; establishing dependent entitlements; updating security clearances; offering training opportunities; and providing pay and other financial services when appropriate.

Our FY 1983 budget request includes resources to continue initiatives in this area such as peacetime preassignment and predesignation of individuals to mobilization positions, providing training opportunities for more IRR members, expanding service programs for the identification of mobilization positions that retirees can fill, maintenance of personnel files on retirees, peacetime assignment of retirees to mobilization positions, and streamlining mobilization procedures for Standby Reservists.

We are confident that this integrated program of strength increases and improved management can resolve the mobilization manpower shortages by 1990.

V. CIVILIAN MANPOWER

Civilian Employment Trends

The civilian workforce performs a broad range of tasks including research and development, medical care, procurement and supply, base operations, logistics support, depot maintenance and administration. It is DOD policy to minimize our requirements for uniformed personnel by employing DOD civilians or private contractors to perform jobs which are not needed for deployment or military rotation. The functions manned by civilians are essential in meeting Defense missions in war and peace.

Let me describe our current civilian workforce, past trends and future direction. As of September, 1981, DOD employed 1,019,500 civilians in support of military functions as follows:

Table 23

DOD CIVILIAN WORKFORCE
(000's)

Army	372.1
Navy	320.9
Air Force	246.2
Defense Agencies	80.3
Total	1,019.5

The distribution of civilians among the Components reflect individual service missions, workloads associated with those missions, and alternative resources including capital investment and cost-efficient contracting. Consequently, total civilian strength requirements and the distribution among the Components will vary from year to year.

About 8 percent of the total were indirect hire foreign nationals who support U.S. military forces overseas under contracts or agreements. The balance were direct hire subject to personnel policies and priorities established by DOD and its Components. In addition to civilians in support of military functions, 32,800 direct hire civilians supported civil functions primarily in the Army Corps of Engineers.

Within the direct hire workforce 65 percent were General Schedule employees, and 35 percent were blue collar workers subject to Federal Wage System rules. The average grade of our General Schedule workforce in September 1981 was GS-7.9. Approximately half ranked GS-7 or less.

The Department is a strong advocate of equal employment opportunity. Approximately one-fourth of our workforce are minorities and one-third are women.

Contrary to popular notions, only a very small fraction of our civilian workforce--4 percent--is employed in administrative overhead functions. Most DOD civilians perform functions essential to near-term readiness. For instance, distributing civilians by program element code indicates 42 percent of FY 1981 end strength supported logistics functions, and 14 percent worked in training, medical care and other activities directly supporting the needs of uniformed personnel. Approximately 9 percent were in General Purpose Forces operations; 2 percent in Strategic Forces Operations, 2 percent in Airlift and Sealift Operations, and 8 percent supported Guard and Reserve operations. Intelligence functions accounted for 9 percent and Research and Development accounted for 8 percent. We also assist other nations through support of alliances, foreign military sales, and other functions with approximately 7 percent of our workforce.

DOD employs a wide spectrum of occupational groups, all of which are linked to essential Defense missions. A short review of the distribution illustrates this point.

In FY 1981, the 608,000 white collar workers supporting Defense missions were distributed into broad functional occupational groups as follows:

Table 24

DOD WHITE COLLAR WORKERS OCCUPATIONAL DISTRIBUTION

Professional	17%
Administrative	23%
Technical	22%
Clerical	32%
Other	5%
Total	100%*

*Does not add to 100% due to rounding.

5 out of 10 professionals were scientists, engineers, or mathematicians who support research, development, procurement and operation of our weapon systems. One in 7 was an educator assigned to train our uniformed personnel or educate dependents of military personnel assigned overseas. The remaining 1 in 7 included medical and legal personnel, social scientists, librarians, audio visual specialists and intelligence specialists--all of whom support essential functions.

As of September, 1981, almost two of five in administrative personnel were employed in logistics management; about one in five was a data systems manager; one in seven was a financial manager; and one in twelve was a personnel administrator. The remaining 23 percent in administrative personnel worked in security administration, housing, facility, communications management, and other categories of administrative support.

Logistics and scientific and engineering technicians accounted for approximately half of our technician workforce. One-fifth were management technicians and the balance were medical, trainees, aircraft operators and various other specialists. One-third of the white collar workforce was made up of clerical personnel, secretaries two-fifths of this workforce, and clerks supporting logistics, financial, general office and miscellaneous functions comprised the balance.

The 327,000-man blue collar labor force was concentrated in 10 depot maintenance ship repair missions, and base operations which these workers support. Skilled crafts accounted for 83 percent, including electronic mechanics and electricians, machine tool, metal workers, pipe fitters, aircraft mechanics and various mechanics, repairmen, production workers and technicians. The other 17 percent were employed in installation maintenance, logistics support and vehicle operation.

This description of our workforce highlights the tailoring of our manpower to distinct Defense missions. We employ skills we need in the quantity we need to meet our readiness objectives. We also accept the challenge to streamline our organizations and to transfer work to the private sector when it is cost efficient to do so.

Our intention to employ the number of civilians necessary to meet our essential readiness goals is demonstrated by the reversal of Defense employment trends of the previous decade. Civilian end strength declined by close to 30 percent between 1968 and 1980.

In FY 1981, this Administration reversed the trend as follows:

DOD Civilian Employment
(In Thousands)

	Actual					Programmed	
	FY 64	FY 68	FY 72	FY 80	FY 81	FY 82	FY 83
Total	1,176	1,393	1,159	991	1,019	1,034	1,035
Direct Hire	1,035	1,274	1,049	916	940	947	947
Indirect Hire	140	119	110	75	79	87	88

In the FY 1981 budget supplemental, a total of 19,600 additional strength was authorized to reduce depot maintenance backlogs, improve procurement, supply and contract administration and free uniformed personnel from duties not connected with their military occupational specialties. In addition, DOD used part of the 2 percent flexibility in FY 1981 to meet these objectives.

We have continued to pursue these objectives in FY 1982. Congress authorized a strength of 1,024,500 civilians. DOD has used its 2 percent flexibility to budget for a strength of 1,033,812. These increases were approved in order to complete work in-house that we thought would be accomplished through cost efficient contracting and to upgrade facilities in Europe, reduce Defense Investigative Service backlogs, and support increased workloads in the Defense Logistics Agency.

The FY 1983 budget submission of 1,035,482 end strength continues the emphasis on improving readiness. This budget was built on the basis of approved workload for all our functional areas. The budget submission reflects special emphasis to reduce unacceptable backlogs in depot maintenance and improve the work flow in critical areas such as procurement, supply and security administration.

In addition, we identified economies where possible. The distribution of strength among the Components and variations from previous years reflect shifts in high priority workloads from one year to the next and some changes in functions from one Component to another. We will continue to strive for streamlined civilian requirements so our resources are adequate to meet mission needs, but do not exceed the level necessary to do the job.

VI. SUPPORT REQUESTED FROM CONGRESS

Strengths Requested in Budget. The Department requests authorization of active and reserve military and civilian manpower for FY 1983 and FY 1984 as shown in the following table. Actual FY 1981 and planned FY 1982 strengths are shown for comparison.

Table 25

DEFENSE MANPOWER 1/
(000s)

	Actual	FY 1983 Budget		Request
	FY 1981	FY 1982 2/	FY 1983	FY 1984
Active Military	2,082.2	2,110.3	2,147.6	2,171.2
Selected Reserve	873.4	922.9	977.0	1,018.1
Civilian	1,019.5	1,033.8	1,035.5	1,035.5

1/ End of fiscal year strengths for active military and civilian; average strengths for Selected Reserve.

2/ FY 1982 Authorization Act (PL 97-86) authorized 2,107.8 active military; 926.7 Selected Reserve; and 1,024.5 civilians.

Active Forces. The following table shows planned active military strength by Service:

Table 26

ACTIVE MILITARY MANPOWER
(End-FY Strength - ooos)

	FY 1982	FY 1983
Army	784.4	783.8
Navy	553.0	569.2
Marine Corps	192.1	194.6
Air Force	580.8	600.0
Total	2,110.3	2,147.6

The Army strength for FY 1983 remains essentially the same as in FY 1982. FY 1982 strength is slightly higher than FY 1983 because more soldiers are in recruit training.

The increase in Navy strength results primarily from the addition of more ships, improved fleet manning, and increases in training support. The increase in Marine Corps strength is primarily to man additional air defense and logistic units.

The increase in Air Force strength supports additional tactical aircraft, fighter force modernization, ground launched cruise missiles, and increases in recruit training.

Guard and Reserve. The requested average strength for FY 1983 for the Selected Reserve is shown by component in the table below.

Table 27

SELECTED RESERVE STRENGTHS BY COMPONENT
(Average FY - 000s)

Component	Actual FY 1981	FY 1983 Budget	
		FY 1982	FY 1983
Army National Guard	376.8	392.4	407.4
Army Reserve	216.7	240.1	258.7
Naval Reserve	87.7	90.7	105.5 1/
Marine Corps Reserve	35.8	37.6	38.3
Air National Guard	97.2	99.5	101.1
Air Force Reserve	59.2	62.6	66.0
DOD Total	873.4	922.9	977.0

1/ 11.8 of the increase over FY 1982 is due to the inclusion of the Navy Training and Administration of Reserves (TAR) personnel in the Selected Reserve.

Civilians. The following table compares the authorization request with actual civilian employment in past years:

Table 28

TREND IN DOD CIVILIAN MANPOWER
(End FY - 000s)

Actual				FY 1983 Budget	
FY 1964	FY 1968	FY 1980	FY 1981	FY 1982	FY 1983
1,176	1,393	991	1,019	1,034	1,035

Total DOD civilian employment in FY 1982 is programmed to increase by 15,000 over FY 1981, an increase of 44,000 over FY 1980. These increases reverse a steady decline in civilian manpower which had dropped by over 400,000 from the Vietnam peak. A further small increase in civilian employment is planned for FY 1983. The increase in civilians, since FY 1980, is needed to support the increased readiness and sustainability objectives of this Administration.

Military Student Training Loads. "Student loads" are the average number of military students and trainees of each Service and component enrolled in formal schools of the Military Services for training and education during a given year. Student loads requested for FY 1983 and 1984 are shown in the following table. The details of these training and education programs are explained in the Military Manpower Training Report for FY 1983.

Table 29

REQUESTED MILITARY TRAINING STUDENT LOADS

Active Forces	FY 83	FY 84
Army	78,311	74,650
Navy	66,930	65,635
Marine Corps	20,435	20,279
Air Force	48,769	48,018
Subtotal	214,445	208,582
Reserve Component		
Army National Guard	18,052	18,090
Army Reserve	14,579	13,292
Naval Reserve	1,000	998
Marine Corps Reserve	2,971	2,988
Air Force Reserve	1,351	1,349
Air National Guard	2,328	2,327
Subtotal	40,281	39,044
Total DOD	254,726	247,626

Legislative Proposals. In addition to the strengths and training loads requested above, I strongly urge the Congress to support the Department's legislative initiatives.

- DOD seeks Congressional support of an initiative to permit the Service Secretaries the flexibility to exceed authorized active duty end-strength when such increase is needed to maintain a stable personnel force. Currently, active duty personnel is the only category of defense manpower for which no authorized end-strength flexibility is provided. The 1.5% adjustment would constitute a statutory ceiling; smaller increases above the Congressionally authorized level would also be allowed at the discretion of the Service Secretary concerned.

- We are developing legislation to establish a limited dental program for military dependents covering emergency diagnostic and preventive services and 80 percent of the cost of basic restorative and prosthetic repair services.

- We are also submitting new bonus legislation prior to the expiration of our current bonus authority (30 September, 1982).

- We further recommend the removal of the mental category restrictions on new enlistees.

Legislation to reform the laws governing general and flag officer grades (S. 1906) is currently pending floor action in the Senate. In addition, we are preparing follow-on legislation, for submission early in 1982, which will deal with those aspects of general and flag officer management not addressed in S. 1906. It will contain provisions for better accountability and validation of our executive requirements and also standardize in law management policies relating to the general and flag grades. Since these actions fulfill our commitments to the Congress, we have included language in the FY 1983 Defense Authorization Bill to repeal the ceiling on general and flag officer strength imposed by the FY 1978 Appropriations Authorization Act.

- The NATO practice is to charge only incremental costs for training provided to other NATO nations--that is, only the additional costs attributable to the foreign students. US law requires DOD to charge for all direct costs. These include elements of fixed cost that DOD would incur in training its own students even if it trained no foreign students at all. Our Allies, understandably, look at these elements of cost as a forced subsidy of the US training base. DOD is considering legislation to allow the US to join the other NATO nations in charging only incremental costs.

- In setting charges for the in-patient medical care of military personnel and dependents of other NATO nations, the NATO practice is to charge no more than host nation personnel would pay. This principle is embodied in the NATO Status of Forces Agreement of 1951. A general provision in the Defense Appropriations Acts for FY 1981 and 1982 requires DOD to charge full costs. Since NATO nations where no DOD hospitals are located reciprocate in charging the lower rates, DOD is requesting in the FY 1982 Supplemental Appropriations Bill that NATO nations be exempted from application of the provision.

Both of these provisions act as significant irritants in US relations with our allies. They divert the attention of Defense Ministers and other senior officials from the vast array of truly important issues that confront NATO. They also discourage cooperation in training, which has a great potential for raising the ability of NATO forces to fight as a single entity. It would be very much in the US interest to modify these provisions to bring them into line with NATO practice.

- There are a number of legislative proposals being considered within DOD that will have direct beneficial effect on the recruiting, retention and readiness of the Reserve Components. Legislation to bring medical and dental benefits for Guard and Reserve members in line with those available to personnel serving on active duty for 30 days or more and those initiatives cited earlier to strengthen the Ready Reserve through both incentives and longer military service obligation are examples of these legislative proposals.

Impact Aid

- Increasing numbers of public school boards across the nation are threatening to charge military personnel for children who attend public school. We anticipate greater activity in this arena this year because impact aid, which totaled $706 million in FY 1981, has been reduced. Some school boards have served notice that tuition charges are pending or, as an alternative, redistricting may be imposed to eliminate military dependents. The Secretary of Defense remains determined that no military personnel should be forced to pay tuition fees--which could run from $2,000 to $4,000 per child per year--to send their dependents to public school. For thousands of servicemen such a turn of events, if it materialized, would wipe out the pay increases Congress just approved effective 1 October 1981.

VII. CONCLUSION

This manpower program is designed to promote the most efficient utilization of our active duty, reserve and civilian personnel. It is firmly based on the President's assessment of our national security needs and it balances our obligation to the nation's taxpayers and to our military and civilian members. We welcome the Congress' careful scrutiny of our program and are confident that, working together, we will continue the fine progress recently begun in addressing defense manpower needs.

Senator JEPSEN. Thank you, General Tice. Mr. Donovan, welcome to you.

General, as I mentioned in my opening statement, I believe—as you do—that we face enormous challenges in planning our forces in the mid and late 1980's.

OVERCOMING MILITARY MANPOWER PROBLEMS

Does the Department of Defense have a planned program of related studies designed to identify and overcome potential military manpower problems that face us in the upcoming years?

General TICE. Sir, each of the Services is currently involved in looking ahead with the input of the modern equipment and weapon systems to determine the kinds of skills and quality of personnel that we will need to man these complex weapon systems.

We think that if we can continue on our current path we will be able to meet those needs in the coming years, at least for the coming decade.

Senator JEPSEN. We discussed this at some length in another meeting the other day.

General TICE. Yes, sir.

Senator JEPSEN. We are trying to ascertain just what specific skills that we not only will need, but to inventory those skills—what would be available through our educational systems in this country.

What do you foresee to be our greatest manpower problem in the future?

General TICE. I think that our greatest challenge is twofold, and it depends—they are not the same for all the services. As you know, the criticality of a skill is not necessarily always defined by how long it takes to train an individual to perform that skill, but also whether we have those who have the will to serve in some of those most arduous tasks.

It follows, then, perhaps in the Army their challenge is a little different than it is in the U.S. Navy or the U.S. Air Force where their challenge is how to get better quality and more individuals choosing the combat arms to serve.

HIGH QUALITY INDIVIDUAL FOR M-1 TANK

As Senator Hollings mentioned, the complexities of, for example, the M-1 tank, require high-quality individuals. On the other hand, I think that the greatest need will be in the technical areas such as nuclear power and in electronic areas where it takes a considerable amount of formal education in order to be proficient in those skills.

Senator JEPSEN. Approximately every 4 years there is a change in the key leadership and policymaking roles in the Department of Defense. Now, our adversaries do not have that problem.

In your opinion, does this lack of continuity and corporate memory inhibit sound management practices within the Department?

General TICE. That is a tough question to answer, Mr. Chairman. The top level management within the Office of the Secretary of Defense, of course, is changed every 4 years because the administration has changed about every 4 years. If there were an administration that stayed for 8 years, you may not have that change.

But I think that in the human resource or the human research laboratories—with reference to the manpower—there is enough research going on today to provide the continuity—perhaps not with an involvement of the highest-level management because of those changes every 4 years. But I think there is enough continuity there that we do not lose sight of what the real challenge is.

I am most fortunate in that in 1968 and 1969 I served in the same office as a colonel that I now come back to head up. I must say it is a different world as to what the challenges are that we are faced with today versus what they were in 1968.

FLAG AND GENERAL OFFICER MANAGEMENT PROBLEMS

Senator **Jepsen**. General, as a result of the 6-percent reduction in the flag and general officers which became effective October 1, have the services experienced any flag and general officer management problems, and would you specify if they have?

General **Tice**. Sir, each of the services have expressed concern to both myself and to Dr. Korb, my boss, about the continued delay in order to try to resolve some of the difficulties with the planned reduction of the general officers.

We now have ready for submission within the next few weeks comprehensive legislation which we feel will fulfill the Department of Defense's commitment to your committee to provide you with a document that will show you how we are improving the management of our senior leadership in the Armed Forces.

RESERVE AND GUARD EQUIPMENT

Senator **Jepsen**. Despite some recent improvement, the Reserves and Guard are still plagued with some inadequate and obsolete equipment. I do not understand why we continue to increase the size of the Selective Reserves if they do not have the equipment on which to train and go to war if mobilized.

Equipment on hand for the Reserves is approximately 35 percent of the wartime requirements—this figure does not take obsolescence into account—could you comment on the equipment problem and how it affects our ability to mobilize effectively?

General **Tice**. Sir, I would like to ask Mr. Donovan to respond to that question, if I may.

Mr. **Donovan**. I think the Department of Defense shares your concern about the level of equipment—both in numbers of items of equipment and the modernization of the equipment in the Reserve components.

We have the same objective, I feel—the Defense Department and this committee—in that regard. The difficulty is the rate at which we proceed toward that objective. Despite the fact that we have an increased size in the defense budget there are a lot of claimants to these things. You will note large increases in procurement. A lot of that procurement will not be realized in terms of produced items of equipment for several years to come.

I am sure that the distribution of that equipment will go toward the Reserve component as well as to the Active component. I believe the Secretary of Defense looks to his Secretaries of the military departments, and they look to the Chiefs of Staff of those services for recommendations as to how that equipment will be distributed. I am sure with the increased strength in the Reserve components there will be increased attention to delivery of that equipment to Reserve component units.

Senator JEPSEN. Would you continue, General, to support higher Reserve levels without a commitment for adequate or new equipment?

Mr. DONOVAN. The point is, what amounts of equipment constitute that needed for the training of those units. As long as there is an adequate amount of equipment in the unit for training of the entire unit, then we will go ahead and complete the filling of that unit to its wartime strength.

Senator JEPSEN. There is a saying that goes around—it is not new—that essentially says, "Do not give any new equipment to the Reserve because no one has the guts to call them up." Did that ever cross anybody's desk at the Department of Defense?

General TICE. I would be disappointed if that were our belief. I think that we are victimized by the memory of the recent experiences with the Vietnam war. But I know of no recent individual that I discussed the problems of meeting the emergencies with, or a challenge where we would have to call up the Reserve. I think there is a national resolve to do that.

Senator JEPSEN. I note that Senator Nunn has joined us. Senator Nunn, are you ready now? I will be glad to yield.

Senator NUNN. Go ahead, Mr. Chairman, I am going to catch up. Thank you very much.

BONUSES

Senator JEPSEN. When the Congress initially authorized the use of selective enlistment and reenlistment bonuses it anticipated the bonuses would be truly selective and only used as a last resort. They would be used only after it was clearly demonstrated the bonus was not only an effective way to improve recruitment and retention of a particular skill, but that it was the most cost-effective relative to other incentives in the management strategies.

In your statement you mentioned that the Department will be asking for an extension of enlistment and reenlistment bonuses for the Active Force beyond September 30, 1982. You further indicated that you intend to capitalize on the reenlistment bonus program to achieve the retention pattern that you believe necessary.

Finally, you stated that Defense is developing a new education incentive program to significantly increase the number of high-quality recruits.

My question is, what studies have been done by Defense to determine whether bonuses—either enlistment or reenlistment—are more cost effective than other incentive devices or management strategies such as education incentives, more cross-training to redistribute careers in the shortages in skills, increased advertising, more recruiters, and so forth?

I have recently had a personal experience, I believe in the 25th Division. I visited with troops and spent about an hour with a noncommissioned officers school, there were about 100 NCO's there. I asked them how many reenlisted because of the bonus and of the over

100, the majority there would have reenlisted regardless of the bonus, or did not take any action because of the bonus.

I have had some problems with the bonuses and especially how they have been administered. I have to say, I was really surprised at the small number of people that indicated a bonus played any part at all in their decision to stay in. There were only two exceptions, I might add, one was an intelligence specialist and the other was——

General TICE. Probably an electronics technician.

Senator JEPSEN. They both got a $16,000 bonus for reenlisting. They said that was a factor. They were the only two. Go ahead.

General TICE. Well, I would suspect in the 25th Infantry Division that the selective reenlistment bonus is not paid to most of those combat MOS's, and I would expect that the military intelligence individual who takes 52 weeks of training would respond to that.

Over the last several years we asked the Rand Corp.—and they have done five separate studies which tend to support the benefits of a selective reenlistment bonus in dealing with shortages in critical skills.

We also have three studies that the Center for Naval Analysis has done, as well as the Navy Post Graduate School. I can give you an example here that in the U.S. Air Force, in the aviation maintenance field where there are 42 skills, in 1979 we had no selective reenlistment bonus for those skills.

The first term reenlistment rate was 32 percent; it dropped to 27 percent in 1980. The second term reenlistment rate was 58 percent, and we started a selective reenlistment bonus program in 1980 where 13 skills were included. In 1981, we included 38 of the 42, and that year the reenlistment rate for first termers grew to 42.7 percent and the second termers jumped to 73.9 percent.

I think that evidence is supportive of our desire to put in selective reenlistment bonuses in those critical skills.

Senator JEPSEN. Senator Nunn?

Senator NUNN. Thank you, Mr. Chairman, I would like to ask a couple of questions.

General Tice, it is nice to have you here today, and Mr. Donovan.

1981 RECRUIT AFQT SCORES HIGHER

On page 3 you say, General Tice, that,

> The results of the recently released Profile of American Youth confirmed the success in recruiting quality youth into the Armed Forces. Military recruits in fiscal year 1981 scored higher on the AFQT than did contemporary youth.

I would certainly agree with you that this is a very revealing and helpful study. Would you give us a breakdown on the services, as to whether the individual services each scored above the contemporary youth? Did the Navy score above the contemporary youth?

General TICE. The Navy scored above the contemporary youth. The Air Force scored considerably above the contemporary youth. I have a complete table here that I can insert for the record. The Army was slightly under in the AFQT category I and II and over in category III in relation to the youth population.

Mr. DONOVAN. And also category IV.

General TICE. And category IV, yes.

Senator Nunn. It is interesting to me how DOD under any administration always handles the publicity the same. You always average in the Air Force and always leave out a comparison in the Army—that is whether a Republican is in the White House or a Democrat. Nobody ever says that the Army has been and continues to be substantially below American contemporary youth, including in this survey.

Is that right or wrong?

General Tice. With respect to categories III and IV, the comparison is 23 percent in categories I and II versus 38 percent.

Senator Nunn. Is not the Army also below what you would call a median?

General Tice. The median AFQT for all Army accessions was 41, and the 1980 youth was 53, yes, sir.

Senator Nunn. So, that is not slightly below, that is significantly below; is it not?

General Tice. Yes, sir.

Senator Nunn. How much is the Air Force above?

General Tice. The Air Force is 59 and the median is 51.

ARMY IMPROVES QUALITY

Senator Nunn. I guess the essential question is, the Army has improved their quality in 1981. I think that is encouraging; is that not correct, the Army quality has improved?

General Tice. Yes, sir. It is even more encouraging for the first 3 months of 1982.

Senator Nunn. Well, that was the next question. Do you foresee that it is going to continue to improve?

General Tice. We would hope so. The trends are very healthy. In fact, for the first quarter of fiscal year 1982, AFQT categories I through III jumped from 61 percent for the same quarter in fiscal year 1981 to 82 percent.

The other encouraging thing is that the contracts DOD-wide that we have already written in the delayed entry program show that 86 percent of all those contracts written are in AFQT category I through III, sir.

Senator Nunn. That is very encouraging.

General, during the 4 years—fiscal years 1976 through 1980—the military services were using a misnormed armed services vocational aptitude battery to determine recruits' eligibility to enlist.

We have gone into that in considerable detail, but a couple of questions. Let me see if you have gotten this information since our last inquiry. Since the test was misnormed, did the services enlist people during this period who would not have qualified for enlistment if the test had been properly calibrated?

General Tice. That is correct, sir.

Senator Nunn. How many individuals in each service were brought in from fiscal year 1976 to fiscal year 1980 who would not have qualified under a properly calibrated test?

General Tice. I can give you the specific numbers for the record, but it is roughly 250,000.

Senator Nunn. And that is in all the services?

General TICE. In all the services, sir.

Senator NUNN. Is that roughly about 25 percent of the people that DOD took in in those 4 years?

General TICE. No, sir, that would be closer to 10 to 15 percent of total nonprior service accessions.

Senator NUNN. So, the U.S. Armed Forces in that 4-year period took in 25 percent people who, if we had had a proper test, would have been ineligible under the laws.

General TICE. No, sir, at that time they would have been ineligible under service policies.

Senator NUNN. That means category V's?

General TICE. Yes, sir. However, even with the miscalibrated test, we do not believe that we enlisted any category V personnel. The biggest change that occurred was between category III-B—that is the lower half of category III—and category IV.

Senator NUNN. And what provision of law would have precluded those people coming in had we had the proper calibration on the test? Is it a law, or is it a regulation?

General TICE. It was regulation because at that time we did not have a statute. If you recall, as a result of that misnorming 3 years ago we were given the requirement not to exceed a certain percentage of new recruits in category IV. For this year it is 25 percent for each service and for next year it is 20 percent.

Senator NUNN. But that is a sliding scale. In these 4 years that law was hardly in existence. So, I am trying to get what the 25-percent overage was measured against. Was it that new provision, that sliding scale; or was it the category V preclusion, or was it a regulation?

General TICE. It was a regulation.

Senator NUNN. Anybody in category V would have been barred.

General TICE. By law that was a restriction.

Senator NUNN. Could you furnish us that regulation for the record? I do not remember, what year did that new law go into effect?

General TICE. It was in 1980 when you enacted the statutory restrictions on the enlistment of men—high school graduates and individuals in AFQT category IV.

Senator NUNN. That would have been fiscal year 1980, would it not?

General TICE. Yes, sir.

Senator NUNN. Of course, the first year was 35 percent. Was that the ceiling you breached on this 25 percent overage, or the 250,000? I have a feeling it was not.

TODAY'S ATTRITION RATE

General TICE. No, we would not have reached that ceiling, I do not think. But I will provide that for the record.

The attrition rate now, the one figure that I obtained from the Army this morning, shows that out of those 188,000 that enlisted in the Army over those 4 years——

Senator NUNN. So, 188,000 of the 250,000 were Army?

General TICE. Were Army, yes, sir. I think I have the figure here. Of the high school graduates who would not have qualified under our policies there are only 9,800 left on active duty, and of the nonhigh school graduates there are only 35,000.

Senator **Nunn**. Most of those have attrited out.

General **Tice**. Yes, sir. When they came in in 1976, of course, most of them who took a 3-year enlistment could have either fulfilled that enlistment or attrited. Not all the losses have been through attrition for nonfulfillment of their obligation of service because enough time has elapsed for that first group that entered service that some of them could have successfully completed their tours.

Senator **Nunn**. I think it would be really interesting to do a tracer on these people to the extent you can, to see how they performed when they were in, to determine whether we really are having a test that bears out in terms of performance; how many of them actually attrited out because of performance; how many of them attrited out because their enlistment expired.

I do not want you to do a new study as such, an exhaustive study, but to the extent you have that information I think it would be very helpful.

General **Tice**. We have done some limited research on that subject. However, we have a longer-term goal to reach the relationship between their ability when they came in and how well they performed on the job.

One of the difficulties in such research is measuring job performance. As you know, our enlistment standards are currently linked to success in training. Therefore, our enlistment test is used to determine the probability of successfully absorbing training. There are so many other things that enter into how well an individual does on the job—of which I think the most important is motivation—that we have not been able to refine in a scientific way the correlation between entry-level scores and on-the-job performance.

Senator **Nunn**. Unfortunately we have a vote creeping up on us. I wish I had been able to get here earlier. I will come back with other questions at the next hearing.

But is it true that even with this encouraging news and this profile study, if you measure the U.S. Army today—even with the improved 1981 recruiting—that if you measured the Army against the peacetime draft which existed from 1961 through 1966, or if you measured the Army against the 1966 to 1973 Vietnam draft, you still have an Army that is substantially below any of those periods of time in terms of a comparison with contemporary youth?

General **Tice**. Yes, sir. From the comparisons that we have made from 1961 through 1981, we are definitely somewhat lower in AFQT category I, as well as slightly under in AFQT category II.

Senator **Nunn**. Thank you very much, General.

Senator Jepsen has asked me to announce a 5-minute recess. He will be back. I have a 4 p.m. meeting.

General **Tice**. Sir, we will be glad to provide for the record answers to the other questions that you may have with you today.

Senator **Nunn**. Thank you very much.

General **Tice**. Thank you, sir.

[Whereupon, a short recess was taken.]

Senator **Jepsen**. Senator Cohen?

Senator **Cohen**. General, I have a couple of comments to make initially about some of the articles that have appeared in the papers and magazines recently, and perhaps I could get your response to those statements.

I could not help but not respond to Senator Hollings' statement that somehow a Voluntary Army was un-American in essence. Let me see if I can go back and find that exact phrase.

On page 7 he said, "professional Army is un-American." Now, I may not be the best student of history, but it seems to me I recall reading that of our entire history only 25 to 30 years ever involved a draft. So, if it is un-American, then we have been un-American for about 175 years in this country where we have not had a draft, where it has been voluntary.

I guess we would have to say that the President is un-American since he advocates doing things the voluntary way.

DEFICIENCES IN ALL-VOLUNTEER ARMED FORCES

Now, the real issue ought to be, what is the capability of the military, what do the trend lines look like. And, if, in fact, we are suffering from serious deficiencies, if, in fact, a top-secret report in the Pentagon says that we have serious deficiencies in the All-Volunteer Armed Forces, then obviously we ought to know about that. Then, if it is necessary to go to a draft to correct deficiencies, we should do so.

But I think that it is misleading to—at least from what I can see—have one article start quoting old and outdated, obsolete statistical data which does not support the conclusions.

Now, first of all I want to go back—and this is something that I have talked about on many occasions—we in the Congress like to point our fingers at the Pentagon and say that things are in tough shape, as if to absolve ourselves from any responsibility in creating that situation.

DECLINE OF THE MILITARY

But we must go back and look at what happened in the mid-1970's when the commitment to the military began to decline. Caps that were placed on the military pay in the mid and late 1970's, which caused real pay to decrease almost 20 percent by 1980 from its 1972 level.

I do not know if you covered this in your testimony, but I suspect you touched upon it.

Then we had the elimination of the GI bill. We had many of our military members asked to do jobs of civilians in addition to their own. We cut operational funds, resulting in a force that was less trained and less ready.

Then we had substantial reductions in the recruiting budgets, I know, because we were asked to do that back when I was a Member of the House. The argument was, "they are doing so well in the Army that we can take a few thousand dollars out of that recruiting budget, because we have plenty of volunteers." So, we cut the recruiting budget, and then we held up our hands in dismay and said, "My God, they are off in recruiting, I guess it must be the All-Volunteer Force," once again.

I mention those just to call it to the attention of my colleagues that we continue to criticize, when in fact we have been part of the problem.

What has been most rewarding to me as a member of this committee is that when the drum beat for the draft began some 3 years ago, we said, "Fine, we will go to a draft if it is necessary, but let us look at the facts."

What I can see are improvements in the force because of the effort by this committee, including those led by Senator Jepsen and others on this committee, for pay increases. There have been significant changes in attitude in the past 2 years.

The hemorrhage that Admiral Haywood talked about rather vigorously a year or two ago has stopped—not completely, but it has slowed down at least. We still have shortages of petty officers and we need to do more, but the drain has slowed down significantly.

TODAY'S MORALE HIGHER

Morale, from what I saw during a recent trip could not be higher. I look at the information coming from your office, and I find that high school student accessions are up, as you testified earlier today. We have a much higher retention rate when you have high school graduates, and we are getting more and more high school graduates now. As a matter of fact, the problems that confronted the Army when we had the draft are in fact down, indiscipline is down.

So, the positive signs and the trends seem to be on the increase. Part of this is due to the fact that we have economic problems in the private sector, that is quite an incentive to stay in the military. But whatever the facts are, at this particular point of time, one would be hard pressed to come to the conclusions that I read in the paper, in a magazine article, not too long ago.

I would like, Mr. Chairman, permission to include a statement, a formal statement of my own. In addition, I would like to include a point and counterpoint to those issues that have been raised by recent publications, saying that too many qualified people are leaving the service, when in fact a draft does nothing to confront that problem.

A draft will do absolutely nothing to deal with the problem of qualified, competent people who have 10 to 12 to 14 years of service leaving. I think we ought not to be under the illusion that is going to be the case.

There is the charge that too few of sufficient quality are volunteering to serve. Well, we have seen the change in that in the last 2 years.

It is charged that our All-Volunteer Forces are ill trained, ill educated. Once again, I think that we can point to some rather remarkable changes in scholastic achievement by our young recruits coming in.

The claim is that, many of our GI's are functionally illiterate, which means it is almost impossible to teach them to operate the weaponry. Once again, that may have been based on prior years, but it certainly does not reflect what took place in 1981.

Let me see what other points have been raised. Supposedly, 9 out of 10 who operate and maintain the Army's tactical nuclear weapons in Europe flunk basic tests of their military skills. Again, there is no relationship to the 1981 test, which shows that 89 percent of the soldiers pass the test.

DRAFT WILL NOT CORRECT PROBLEMS

I would like to insert these rebuttals for the record, so that statements which I think are patently untrue or at least unsupported by recent evidence do not go unchallenged. Whatever problems we have in the military, I think we can address; and whatever problems we have, the draft, in my judgment at this point, will not correct.

I come back to this question of patriotism. I have not found people in the military less patriotic than anybody in the past. I made this point over, and over, and over again. People in the military are just as patriotic as they have ever been. But they also look at the bottom line.

When they look at the bottom line and find they cannot educate their children; or they cannot pay their bills; or they are working 18 hours a day when they could be out in a civilian job working half the hours at twice the pay, then let us not question their patriotism. Let us not go back to the notion that somehow, if we just have a draft, we are all going to be overwhelmed with this infusion of patriotic feeling. I think it is still there.

I think the changes we have seen in the last 2 years that I am familiar with have been dramatic in terms of finally washing away the stigma of Vietnam. Based upon our President's leadership, people are finally proud once again of their military. Military personnel are not ashamed to be seen walking down the street wearing their uniform.

The President and the Secretary of Defense have said, "We want those uniforms worn when you are at the Pentagon. We want more of the uniforms, not less." That says something about our times.

So, I think we ought to take all of these factors into consideration. I will not get into the issue of cost. I believe some studies have been done that would show that if you went to a draft tomorrow it would not cost you less, it would cost you more.

If you went to a draft tomorrow, you are talking about taking a small percent of the eligible population. And what would that cost for that small percent? How long would you hold them in there against their own will, as opposed to people who are staying in now? How much readiness would you have in the way of retention for those people who are in there involuntarily doing their 2-year stint and then leaving?

So, I think that these are issues which certainly are worthy of being debated. But the points that are made that denegrate, and degrade, and ridicule our military, I think, are unfounded and unfair.

Senator Jepsen. The articles submitted by Senator Cohen will be printed in the record as if read.

[The information follows:]

Point and Counterpoint—Article in Parade, February 14, 1982

Points	*Counterpoints*
Too many qualified people are leaving the services . . .	A draft would result in more qualified people (draftees) leaving service after their obligated term of service. *First term enlistment rates have been consistently higher under the All Volunteer Force than under the draft, and were the highest ever in fiscal year 1981.* Career reenlistment rates for all services were also up in fiscal year 1981, although these rates since 1973 are more comparable to those of the draft era. (Tab. A).

Points	*Counterpoints*
	As a result, DOD now has the largest percentage of its force in the career category since 1970. Reenlistment successes have allowed the Army to raise recently its eligibility standards for reenlistment.
Too few of sufficient quality are volunteering to serve. Our all-volunteer forces are ill-trained and ill-educated.	DOD uses two indicators of personnel quality—educational attainment and achievement on enlistment tests: *Educational attainment.—The education levels of the active duty force compares favorably to those of the civilian labor force. Only 9 percent of the active force do not possess high school diplomas compared to 27 percent for the civilian labor force.* This favorable comparison also holds for our new recruits where 85 percent of all 18- to 23-year-old enlisted accessions in fiscal year 1981 were high school graduates versus 74 percent for the same aged youth in the civilian sector. In fact, in fiscal year 1981 DOD recruited a higher percentage of high school diploma graduates than ever before, even during conscription. (See Tab B). *Achievement on enlistment tests.*—All potential recruits take DOD enlistment tests made up of 10 subtests that are linked to success in training. Four of these subtests, called the Armed Forces Qualification Test, or AFQT, have become a key indicator of recruit quality and "trainability." The statistics provided in Tab C show that fiscal year 1981 was a very good recruiting year; fiscal year 1982 is proving to be even better (especially for the Army); and, the test scores for Army combat arms recruits are showing great improvements.
Many of our GI's are functionally illiterate, which means it's almost impossible to teach them to operate the weaponry. GI Joe can't read. Almost 40 percent of the Army's junior enlisted personnel read below the 5.5 grade level, which is "functionally illiterate" by United Nations' standards. A startling 23 percent can't read as well as kids in the third grade. One soldier in 50 doesn't have sufficient grasp of English to be able to understand orders. More than half can't comprehend manuals that have been rewritten to the seventh grade level.	The reading level of the force has improved markedly since fiscal year 1977. In fiscal year 1981 the average Army nonprior service accession had a ninth grade reading level with the DOD overall average at 9.7. This is an increase of nearly two reading grade levels since fiscal year 1977. Other data are also incorrect: 2.5 percent of all Army junior enlisted people read below the 5.5 grade level—not 40 percent. Less than 0.5 percent of all soldiers read below the third grade level—not 23 percent. Fewer than one soldier in 500 lacks English enough to understand basic orders—not 1 in 50. Parade asked the Army in mid-January to check out Anderson's numbers. The Army provided the correct information within a few days. The correct information was ignored.

Points	*Counterpoints*
9 out of every 10 who operate and maintain the Army's tactical nuclear weapons in Europe flunked basic tests of their military skills. The percentage of incompetents with other functions was almost as high.	The test results referred to in the article were the initial results of the Army's skill qualification tests in 1977–78. Test scores for those years (the first years the tests were given) were low. Two primary factors were the cause: poorly designed tests and inadequate preparation for the tests. Substantial improvements have been made in test results since 1978. In fiscal year 1981, 89 percent of soldiers taking the tests passed.
In NATO competitions, hand-picked American crews finish dead last with dismal regularity.	The statement on the Army's performance in tank gunnery competition is outdated and misleading. The Army did do poorly in its first try in international competition in the late 1970's. However, it scored higher than most nations in the most recent tank gunnery competition. The United States Army finished first in a recent NATO competition among armored cavalry units. The Army also finished first in a recent helicopter competition that included Communist as well as NATO nations. In addition, the U.S. Air Force has generally done quite well in various NATO competitions.
The Army Reserves, now 120,000 below wartime strength, are worse off. All but one Army Reserve or National Guard combat unit were found to be unfit for fighting.	Army National Guard and Reserve strength is improving dramatically. In fiscal year 1981 alone Army Guard and Reserve strength increased 42,000. By the end of fiscal year 1981 the Army Selected Reserve strength had almost recovered the losses experienced since the beginning of the AVF. As a result, the number of Army National Guard and Reserve combat units whose readiness is limited by personnel shortages has been greatly reduced. We expect these trends to continue.
Seventy percent (of the combat officers) also reported problems with discipline and abuse of alcohol and marihuana.	This 1979 report may have been taken out of context. For example, combat arms officers were asked if a discipline problem had occurred in their unit in the past 6 months. As measured by courts martial, desertions and unauthorized absences (AWOL), indiscipline has declined substantially since the Vietnam war and is now roughly similar to the peacetime rates experienced during the 1960's when the draft was in effect. The use of alcohol and marihuana in the military is a reflection of the use of those substances in the civilian sector, DOD has consistently stressed detection and punishment for drug and alcohol offenses. As a result, the percent of junior enlisted people using drugs, except for those using marihuana, has dropped since 1974. For marihuana the usage rate remains at about the 1974 level.

Points	*Counterpoints*
Pentagon projections see blacks, for example, making up 43 percent of the Army's enlisted personnel by 1982.	Defense is very proud of its longstanding policy of recruiting the right person regardless of race or creed. The military has long been a leader in providing equal opportunity for all qualified individuals who can do the job. Thus, it is not surprising that minority youth have been attracted to and perform very well in the military. Although it is impossible to predict accurately the percent of the force that will be black in fiscal year 1983, the statistics provided in Tab D show that the 43 percent projection is incorrect and overstated. In fact, the percent of black enlisted people in the Army has declined from 30 percent in fiscal year 1980 to 27 percent in fiscal year 1981 and the percentage of blacks enlisting in the Army in the first quarter of fiscal year 1982 also shows a decline over fiscal year 1981.
Secretary Alexander instituted "unisex" basic training—but lowered the physical fitness requirements to accommodate women recruits.	Physical standards for enlistment are identical for men and women and have not changed over the past 5 years. The reference to lowered physical fitness requirements pertains only to standards the Army expects its recruits to achieve during initial training. This is not to say that the requirements are easier for one group or the other to attain. For example, men have greater upper body strength than do women. To require women to do as many push-ups or pull-ups as men makes no sense and says nothing about the physical fitness of women. The physical activities required of women during recruit training are just as stringent as the activities required of men, and are appropriate for the jobs to which they will be assigned.
The American people should know that 9 of 16 active divisions are rated unfit for combat. In 6 of 11 U.S.-based divisions, the troops are rated as "not combat ready."	These statements which allegedly reflect combat readiness of Active Army divisions are totally inaccurate. The current status of Active Army divisions is substantially better than that portrayed. The exact status is classified.

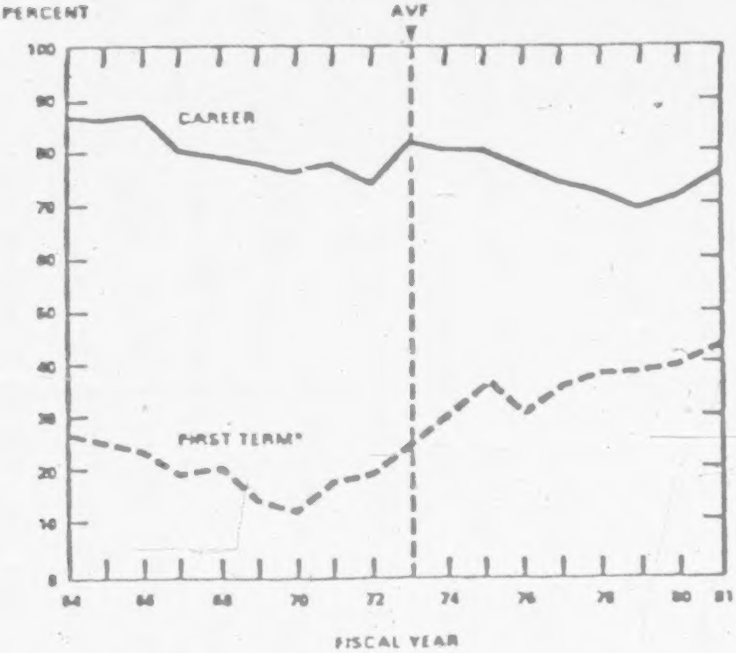
ACTIVE DUTY REENLISTMENT RATES[1]

[Fiscal years]

	1st term		Career		Total	
	1981	1980	1981	1980	1981	1980
Army	55.0	50.6	72.6	69.3	66.7	62.2
Navy	41.7	36.7	72.8	67.0	54.6	48.2
Marine Corps	26.6	23.2	73.8	50.4	43.2	35.4
Air Force	42.9	35.8	86.1	81.8	65.8	60.0
Total, DOD	43.0	39.1	76.5	70.5	60.6	55.4

[1] Regular reenlistments as a percentage of eligibles.

DOD REENLISTMENT RATES*



*EXCLUDES INDUCTEES

EDUCATIONAL ATTAINMENT—FISCAL YEAR 1981 ACTIVE DUTY MILITARY COMPARED TO U.S. MALE POPULATION

[In percent]

Educational level	Civilian male population [1]			Military personnel		
	Labor force [2]	Nonlabor force [3]	Total	Total	Officers	Enlisted
College graduate	19	8	16	14	92	2
Some college	17	14	16	8	5	9
High school graduate	37	23	36	69	3	79
Nonhigh school graduate	27	55	32	9	0	10
Total	100	100	100	100	100	100

[1] 18 yr and older.

[2] Employed or unemployed.

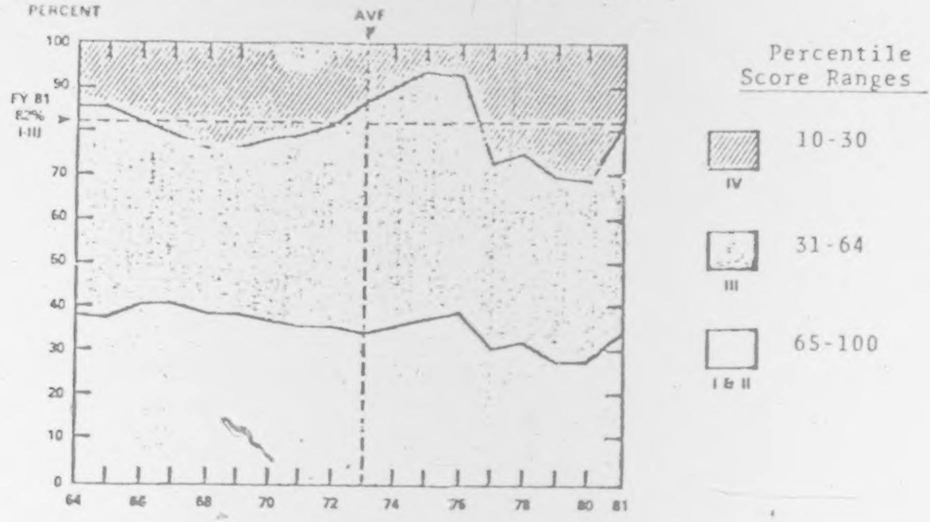
[3] Retired, unable to work because of illness, in school, or otherwise not looking for work.

EDUCATIONAL ATTAINMENT

[Male and female, 18 to 23 yr olds]

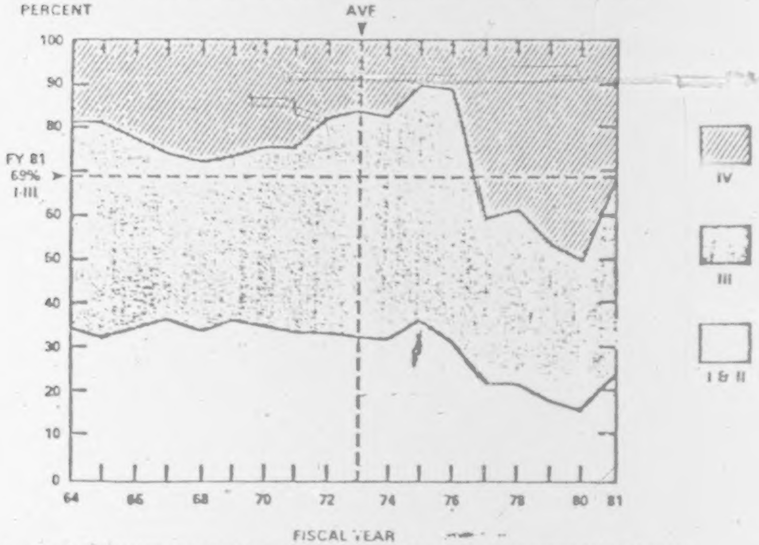
	Nonhigh school graduate	GED high school equivalency	High school diploma graduate or above
Fiscal year 1981 accessions:			
Army	13	2	85
Navy	9	11	80
Marine Corps	11	4	85
Air Force	2	7	91
Total, DOD	9	5	85
1980 youth	22	4	74

DISTRIBUTION OF DOD TOTAL* ACTIVE DUTY NON-PRIOR SERVICE ENLISTED ACCESSIONS BY AFQT CATEGORY



*INCLUDES NPS MALES AND FEMALES (INDUCTEES, REGULARS AND RESERVES WITH 2 OR MORE YEARS ACTIVE COMMITMENT)

DISTRIBUTION OF ARMY TOTAL* ACTIVE DUTY NON-PRIOR SERVICE ENLISTED ACCESSIONS BY AFQT CATEGORY



*INCLUDES NPS MALES AND FEMALES (INDUCTEES, REGULARS AND RESERVES WITH 2 OR MORE YEARS ACTIVE COMMITMENT)

COMPARISON OF AFQT CATEGORY IV NONPRIOR SERVICE (NPS) ACCESSIONS FOR 1st QUARTERS OF FISCAL YEARS 1982 AND 1981

	Number (thousands)		Percent of NPS accessions	
	1st quarter 1982	1st quarter 1981	1st quarter 1982	1st quarter 1981
AFQT (category IV):[1]				
Army	5.2	9.4	18	39
Navy	2.1	2.8	12	14
Marine Corps	.6	1.7	8	20
Air Force	1.1	1.6	6	9
DOD	9.0	15.5	13	22

[1] Percentile scores of 10 to 30. All other accessions obtained higher scores.

QUALITY OF NPS ACCESSIONS IN THE ARMY COMBAT ARMS

[By fiscal year, in percent][1]

	1981	1980
High school diploma graduates	72	41
AFQT (categories I–III)[2]	70	37
50th percentile or above on AFQT	39	18

[1] Percentages based on total NPS accessions in Army combat arms.
[2] Percentile scores of 31 to 100.

BLACKS IN THE ACTIVE ENLISTED FORCE, FISCAL YEAR 1981 AND 1980

	Numbers		Percent	
	1981	1980	1981	1980
NPS Accessions:				
Army	32.2	47.2	27	30
Navy	11.5	11.8	13	13
Marine Corps	7.3	9.7	18	23
Air Force	10.8	10.8	14	15
DOD	61.8	73.6	19	22
Total end strength:				
Army	232.4	229.2	30	30
Navy	57.8	54.2	11	10
Marine Corps	37.9	38.9	20	21
Air Force	73.0	79.5	13	14
DOD	401.3	401.8	19	20

BLACK ACTIVE DUTY NPS ACCESSIONS, 1ST QUARTER, FISCAL YEAR 1982 RESULTS

	1st quarter, fiscal year 1982		1st quarter, fiscal year 1981	
	Number (thousands)	Percent	Number	Percent
Army	7.4	26	6.9	29
Navy	2.4	13	2.6	13
Marine Corps	1.3	16	1.8	21
Air Force	2.8	16	2.6	15
DOD	13.8	19	13.8	20

MAKING THE VOLUNTEER FORCE WORK

(By Lawrence J. Korb)

On June 30, 1973, Dwight Elliot Stone assumed an important, if little-recognized, role in modern American history. He was the last American to be drafted into the armed forces before the All-Volunteer Force (AVF) became a full-fledged reality. The decision to institute the AVF was not made quickly or lightly. Over several years a presidential commission, a DOD commission, several congressional panels, and many outside experts studied various alternatives to the draft. There was little doubt at that time that the eventual decision reflected a broad national consensus against conscription and in favor of all-volunteer armed forces for the United States. Yet today the future of the now-eight-year-old AVF has become the subject of heated debate.

From a policy of view, however, the AVF versus conscription debate somewhat misses the point. The most important military manpower questions for the 1980s are rather: are we recruiting and retaining enough high-quality people to meet our national security requirements, and what steps must we take to ensure that we will be able to do so throughout the decade? Starting with these two questions, we can focus on problems and solutions. In contrast, in the AVF versus conscription debate each side tends to assume that the other course is fraught with problems and doomed to fail and that its own preferred course is relatively problem-free. The hard reality is, however, that many military manpower problems are not a function of the way in which people are brought into the armed services; switching from one accession system to another may leave some of these critical problems untouched.

Let me make my own predilections clear at the outset. President Reagan, Secretary Weinberger, and I all believe that relying wholly on volunteers is the right way and, if we do it properly, a sound way to structure our armed forces in peacetime. As philosophical conservatives, we are opposed to unnecessary governmental intrusion into the lives of American citizens. As officials sworn to protect America's security, we will do just that. But we would prefer to protect America's security without resorting to conscription, which in the past not only has forced people against their wishes to spend two years of their lives in the military, but has also unfairly taxed all draftees for this involuntary service by paying them dismal wages. I think we can make the AVF work—if we are willing to pay a fair price for it.

In answering the two key policy questions I cited above, let us look first at the active force and then at the Reserves. For the active force, end-strength, recruitment, and retention are the principal considerations. What is the record so far?

ACTIVE FORCE

End strength

In every year of its existence, the AVF has either achieved the congressionally authorized end-strength or been no more than one percent short. It is true that during the post-Vietnam era, end-strengths were gradually reduced because of budgetary shortages, congressional restrictions, and changes in force structure. Nonetheless, maintaining our numerical objectives so well without any resort to conscription was no mean achievement. This is the only time in our nation's history that we have built a large peacetime standing force exclusively with volunteers.

Recruiting

Fiscal Year 1979 was the first year in which AVF recruiting did not meet planned goals; in fact, it was 7 percent short. However, because fewer people left the military that year than were expected to, overall end-strength was only 1 percent below authorization. But there is no doubt that FY 79 was the worst recruiting year in the history of the AVF. Fortunately, the picture has brightened since then. In FY 80, the services not only met their recruiting goals, but were able to make up for the previous year's shortages. This success was attributable largely to three factors: relatively high unemployment rates, particularly among youth; some recruiting innovations; and the Army's willingness to accept large numbers of high school dropouts and people who scored comparatively low on the entrance aptitude tests. As for FY 81, numerical objectives have been met, with significant improvements in the education level and aptitude test scores of recruits: 81 percent high school graduates in FY 81, compared with 68 percent in FY 80; 82 percent in the top three entrance test score categories in FY 81, compared with 69 percent in FY 80.

This latter point usefully leads us away from the numbers of recruits to the quality of recruits. The issue of quality has become one of the stickiest and most argued in the entire grand debate about the AVF. Quality is difficult to assess and even more difficult to predict, whether one is talking about military personnel, workers in the private sector, or students, for that matter. It is a product of both individual traits—intelligence, skill, motivation, loyalty, integrity—and situational variables—training, leadership, the work or school environment, group or unit esprit. In the civilian sector, some estimate of the quality of the workforce can be inferred from the quality of the product, although other important factors such as design and materials are usually not the responsibility of the workers. In the armed forces, where the ultimate "product" is victory in war, it is almost impossible, short of an actual war, to measure the real and relevant quality of military manpower. Thus, like any institution which has to screen large numbers of applicants and select those most likely to succeed (as, for example, a college or professional school does), the military uses imperfect, surrogate measures of quality—specifically in this case, education level and aptitude test scores.

While educational standards vary widely from high school to high school and fluctuate over time both nationally and for individual schools, earning a high school diploma does seem to indicate a greater adaptability to military life. Over time and across services, there has been a fairly consistent relationship between education level and first term attrition: a non-high school graduate is twice as likely as a graduate not to finish the initial term of enlistment in the service. Only about 20 percent of high school graduates do not complete their first enlistment, whereas about 40 percent of nongraduates do not. Now this does not prove that high school graduates necessarily make better soldiers than nongraduates. Indeed many non-graduates make excellent soldiers, sailors, airmen, and marines. But given the increasingly high cost of training new servicemembers, it is far more efficient to take high school graduates whenever we can.

From 1977 through 1979, DOD had progressively less and less success in recruiting high school graduates. The sharpest decline in high school graduate accessions, in late 1977, coincided with termination of the GI Bill. Beginning in early 1980, the numbers came back up, and the situation continues to improve this year for all the services. Indeed, the percentage of high school graduates among new recruits in FY 1981—81 percent—is the highest in the history of the AVF and is 10 percentage points above the AVF average.

The second measure used to assess potential quality and to predict successful performance in the military is the entrance aptitude test. The use of formal, standardized tests in military service has a long history, going back to World War I. Over the past 65 years, many different psychological and aptitude tests have been used to screen candidates for military service.

ARMED FORCES QUALIFICATION—AFQT CATEGORIES

	AFQT percentile score	Level of trainability
AFQT category:		
I	93–99	Well above average.
II	65–92	Above average.
IIIA	50–64	Average.
IIIB	31–49	Average.
IV[1]	10–30	Below average.
V[1]	1–9	Well below average.

[1] Not eligible for enlistment: Category IV nonhigh school graduates, all category V.

Since January 1, 1976, all applicants for enlistment have taken the Armed Services Vocational Aptitude Battery (ASVAB), a set of 13 subtests measuring a variety of abilities. Scores on the various ASVAB subtests serve both to determine overall eligibility for military service and to screen applicants for assignment to particular military job skills. Scores from three subtests (word knowledge, arithmetic reasoning, and space perception) are combined to form the Armed Forces Qualification Test (AFQT), which determines eligibility for enlistment. Various combinations of individual subtest scores are used to assign applicants to different skill training programs. Except for an approximately three-year period in the early to mid-1970s, the AFQT has been used since 1950 to screen applicants and also to track and compare recruits over time.

Despite their long history, standardized tests in the military are not immune to the problems and criticisms of standardized testing in general. One needs only to look at the continuing controversy about the worth, fairness, and efficacy of the Scholastic Aptitude Test (SAT) to realize that disputes about the AFQT are not unique phenomena. Nonetheless, the AFQT has proven to be a useful device for screening and comparing applicants in terms of certain very basic abilities.

AFQT raw scores are calibrated into percentile scores which correspond to the baseline population—all persons who served in World War II. The average score for this base line group is 50; an applicant with a 70 on the AFQT today scores better than 69 percent of all officers and enlisted personnel in uniform during World War II. Percentile scores are grouped into categories.

A recent error in calibrating the AFQT produced higher scores for many individuals than they should have been given. As a result, the services accepted large numbers of people who would not have been eligible to enlist had their scores been calibrated properly. Particularly at the lower end of the scale, the error had significant consequences. Whereas we originally believed that 6 percent of all DoD recruits in FY 80 were in Category IV, in fact 31 percent were; in fact, 50 percent of all Army FY 80 recruits were in Category IV. For sake of reference, it should be noted that 30 percent of all World War II military personnel were in Category IV and Category V, and that 39 percent of all DoD non-prior service enlisted recruits in 1952 (44 percent for the Army) were in Category IV.

Research is not yet complete on the actual job performance of those recent recruits who under proper standards would have been ineligible. We do, however, now have a new, correctly calibrated AFQT. The services have also raised their enlistment standards, and Congress has, unnecessarily and unwisely we think, legislated restrictions on the percentages of Category IV applications and of non-high school graduates we can accept in future years.

Recent initiatives, such as the October 1980 pay package, innovative recruiting strategies, and a test program of enhanced educational benefits have yielded significant improvements in the quality profile of new recruits. The table below compares recruiting results in FY 81 with FY 80, for DoD overall and for the Army.

ENLISTED RECRUITING EXPERIENCE—FISCAL YEAR 1980 AND 1981

	All services		Army	
	1980	1981	1980	1981
Percent high school graduates among male recruits	65	79	49	78
Percent category IV	31	18	50	31

Before leaving this issue of quality I want to emphasize several points. While education level and AFQT scores are helpful (but imperfect) screens for quality among the hundreds of thousands of applicants for military service each year, these two measures tell us very little about the quality of the total force. They provide some estimate of the potential capabilities of new recruits, but they cannot measure the quality of seasoned personnel. Lack of a high school education and low aptitude scores would indicate, for example, that a given recruit is not a promising candidate for a sophisticated radar technician's job. But education level and AFQT score indicate nothing about the practical worth today of a career soldier, who has had basic training, several advanced schools, and eight to 10 years of on-the-job experience.

Neither of these measures has absolute meaning. Sadly, American society today contains hundreds of thousands of high school graduates who read at elementary school levels. A standardized test score freezes an individual in time, and, if misused, can judge an individual's career and potential on the basis of what he or she did on a written test one Saturday morning many years ago.

Having said all of this, I nonetheless believe that the military should continue to prefer candidates with higher education levels and higher test scores. We know also that we will always have to accept many recruits who rank lower in these measures; with good training, proper leadership, and enough experience, however, they can become highly effective members of the armed forces.

The challenge for the 1980s is to design and implement a set of monetary, educational, and other incentives to attract sufficient numbers of high quality recruits, while providing the amount and the kind of advanced training, leadership, and field exercises to maintain a high degree of readiness and combat effectiveness for the entire force. A return to the draft would be no panacea; no legally or politically feasible system of conscription is going to produce a force consisting exclusively of Category I and II high school graduates. Any plausible system for bringing people into the military—voluntary or compulsory—will inevitably produce a rough cross-section of American abilities, with the very highest and the very lowest always being underrepresented. If we can keep quality up under the AVF, then I'll place my bet on the willing volunteer, rather than the reluctant draftee.

In FY 81, all services met or exceeded their qualitative and quantitative recruiting goals. The Army achieved the largest increase in quality, enlisting nearly 20 percent more high school graduate males than it enlisted in FY 80, and enlisting less than half as many non-prior service recruits who scored in the lowest acceptable category on the entrance exams. In FY 82 this momentum is expected to continue as a result of the recent increases in compensation and improvements in enlistment incentives and recruiting resources. In FY 83, the congressional restrictions on recruits' education levels and AFQT scores will become tighter, and we won't have a good estimate of how difficult this will be until the year before.

For the longer term, other problems present themselves. Most importantly, the cohort of 18-year-old males is expected to decline over the rest of the decade. Compared to FY 75 levels, this population, which constitutes our prime recruiting pool, will in FY 85 be 9 percent smaller and in FY 87, 13 percent smaller. This will prove a difficult, but not insurmountable challenge. We can keep endstrength up if we continue to recruit more women into the military, if we use more civilians to do non-military but necessary jobs at our bases and installations, if we keep military pay competitive with civilian pay, if we can provide enhanced educational benefits, and if we can increase retention of training personnel already in the service.

Retention. This is the number one manpower problem we face. The heart and soul of any military organization is the career force—those experienced men and women who train, who lead, who inspire. Here too, the AVF *vs* conscription argument misses the point. The composition of the career force is almost completely independent of the way in which we bring people into the military for their first term. We have a serious problem in retaining careerists, and a draft wouldn't solve that.

The problem is not the size of the career force, that is, those with more than four years of service. In fact, under the AVF we have benefited from consistently high first term reenlistment rates—averaging about 37 percent since 1975.

The current rate is three times the FY 70 rate. The area of concern is the mid-career force—those with more than 10 years of service—especially in certain critical job skills. Low first-term reenlistment rates during Vietnam (a not surprising phenomenon in itself) coupled with declining second and third reenlistment rates since the mid-1970s have produced a force dangerously short of mid-career, senior enlisted personnel. In contrast with reenlistment rates for first-termers, career reenlistment rates dropped from 81 percent in 1974 to 68 percent in 1979 well below the 1970 figure.

The reasons for this sharp decline are not at all obscure—pay scales increasingly less competitive with the private sector (in stark contrast to the explicit assumptions behind the AVF) and a general deterioration in the living conditions for military personnel and their families. Military pay kept pace with the civilian sector only for the first two years of the AVF. Pay caps in 1975, 1978, and 1979 yielded military pay in 1980 that was 20 percent below what it was in 1972. The gap between military and civilian pay had widened so much that even last year's 11.7 percent raise left military pay still somewhat behind its 1972 relationship to civilian pay. The end result has been a vicious cycle in which mid-career shortages force those mid-career personnel who stay in to work longer hours, serve longer overseas tours of duty, and, in the case of the Navy, have more frequent and longer tours at sea—thus discouraging many of them from reenlisting again.

The 1980 pay raise and other initiatives have tried to interrupt this cycle, and results are now beginning to be realized. Career reenlistment rates climbed to 76.5 percent at the end of FY 81. (At the same time, the reenlistment rates among first termers have increased to 39 percent in FY 80 and to 43 percent in FY 81.)

We have also paid more attention to quality of life both here and overseas, and this means, among other things: more and better housing, improved medical care, and enhanced recreational facilities. But it will take a long time to repair the cumulative damage of these shortages. You don't produce a seasoned first sergeant overnight, and you can't pick up 20,000 experienced petty officers in a year. We are moving in the right direction, but we must sustain the momentum. The military pay raise for fiscal year 82, an enhanced package of educational incentives (to be designed in light of the results of a comprehensive experimental program we conducted over the past year), renewed attention to living conditions and quality of life—all are necessary, all cost money, and all are worth the price. The only question is, are we willing to pay for it?

Two other issues warrant some consideration here—women in the military and the representativeness of the force.

In 1972, women constituted 1.5 percent of the armed forces; today, 8.5 percent. Dramatic increases in the number of military women are the result of two developments—the women's movement throughout our society and the All-Volunteer Force. This expansion of opportunities for women in the military has been good for women, and it has been good for the military. Ethically, it is right, and pragmatically, if we are to maintain the AVF while the male youth population is shrinking, it is wise.

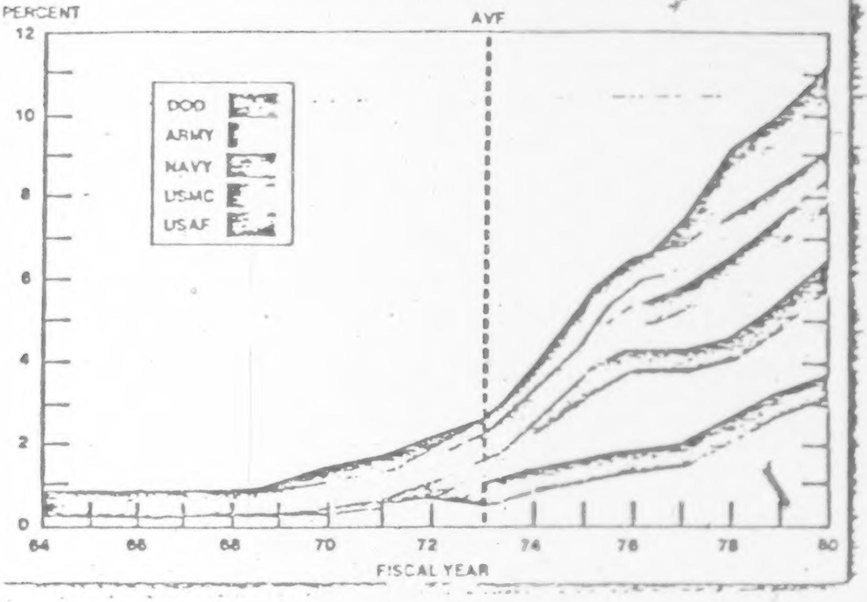
Our experience so far is that women exhibit the same range of competence as their male counterparts. Military women have proven themselves dedicated, effective, and professional. Nonetheless, largely in response to the serious concerns of combat-seasoned military leaders, we are conducting a comprehensive and systematic review of the role of women in the military. Our experience with, and our commitment to, women in the military is relatively rare among nations, and it has been largely (and during the post-1972 expansion exclusively) a peacetime experience. Yet the ultimate issue regarding women in the military is indeed the ultimate test of a military force—combat. In the interests of national security, we cannot ignore either the perhaps uncomfortable reality that very few nations have had even limited experience with women in combat or the concerns of those who have led, and in the event of war would have to lead, our forces in combat.

Thus, we are reviewing the recruitment, assignment, utilization, readiness, and mission capability aspects of women in the military. I cannot prejudge the results of this review. Our conclusions will be reached on the basis of hard evidence and sound analysis, not biases one way or the other.

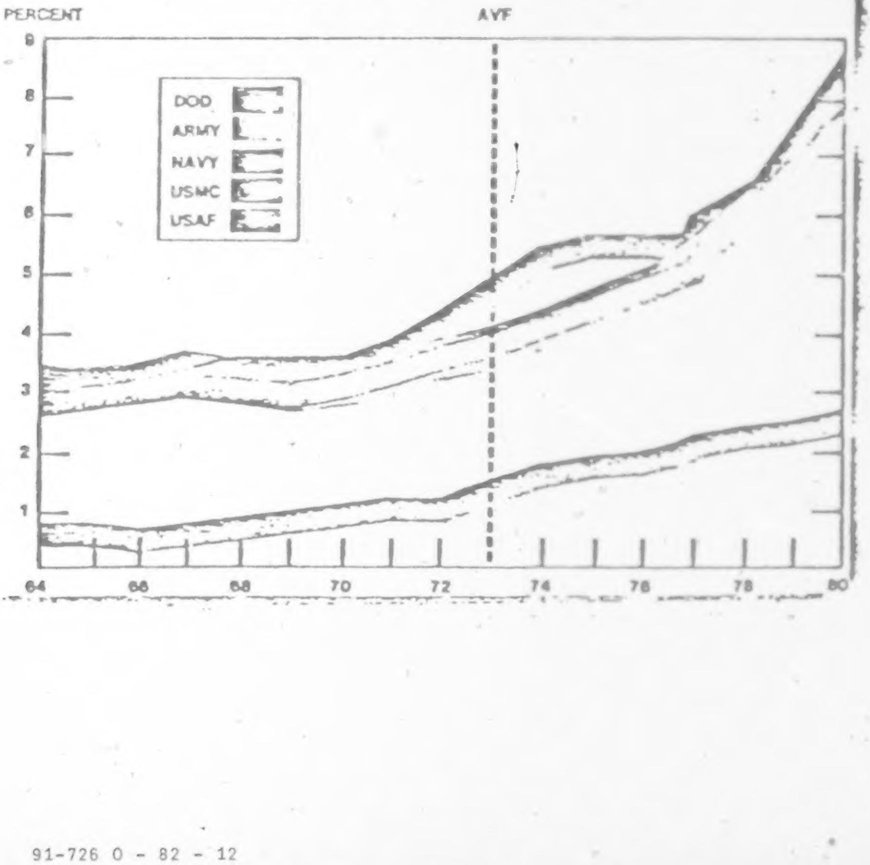
The second issue is how representative the armed forces are of American society as a whole. The question is raised in two ways—practical and ethical.

I, for one, reject the "practical" concern based on the notion that soldiers, sailors, airmen, and marines from certain socioeconomic backgrounds or of some races or from particular regions of the country will be less willing or able than their comrades in arms to defend America or American interests in any or certain war scenarios. This argument is specious at best, bigoted at worst. Based on our experience in past wars and based on what I know firsthand of those in uniform today, I personally see no grounds for concern along these lines.

WOMEN AS A PERCENTAGE OF THE TOTAL ACTIVE DUTY ENLISTED END STRENGTHS



WOMEN AS A PERCENTAGE OF THE TOTAL ACTIVE DUTY OFFICER END STRENGTHS



The ethical concern is, *in theory*, more well-founded. The burden of defending an entire society should not fall disproportionately on any one group or segment of that society. I say that knowing full well that virtually no army in history has been *fully* representative of the society it defends.

We have conducted numerous surveys and studies of the representativeness of the force. The truth belies the popular myth. In terms of socioeconomic status, the very highest and the very lowest brackets are underrepresented in the enlisted force, but otherwise it is quite representative. Geographically, we are getting a proportionate share of recruits from all regions and all states. Our most recent major study compared 18- to 21-year-old military personnel with their contemporaries in the civilian workforce. The findings will be surprising to many. Among males: the percentage of high school graduates is about the same, the educational and occupational distributions of their parents are virtually the same, their marital status distribution is the same, their health profiles reveal no differences, and their mental abilities are very similar.

For women, the backgrounds and abilities of young servicemembers are *higher* than those of their civilian counterparts.

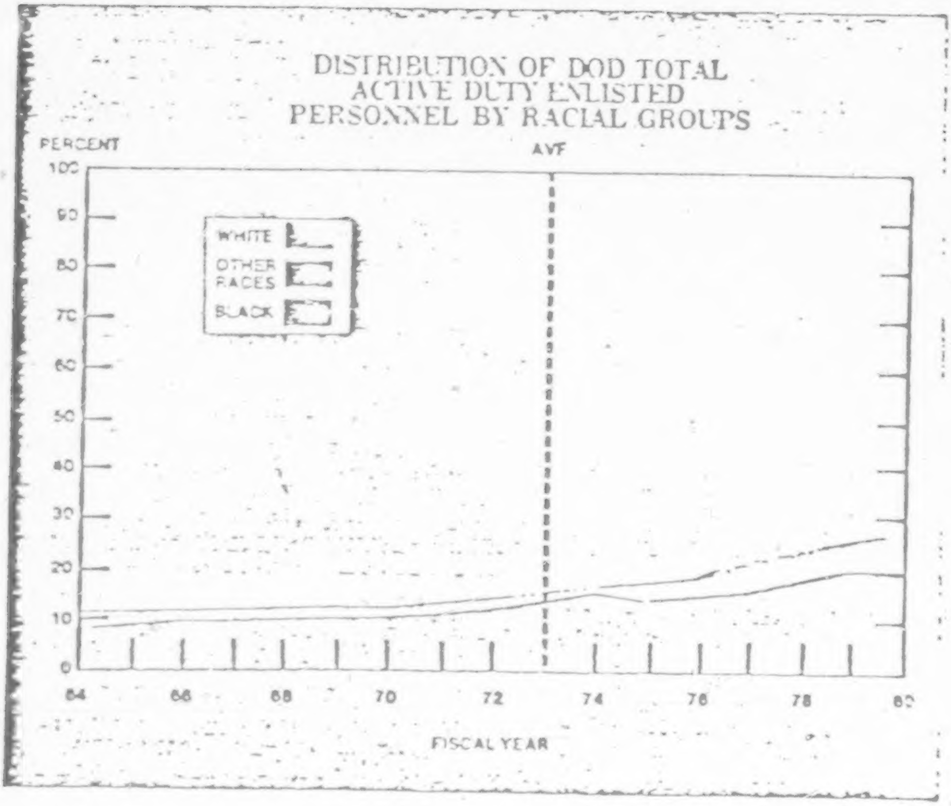
In terms of race, the minority composition of the armed forces began to grow during the Vietnam War, and it has increased more rapidly under the AVF. It is important to note two facts: first, that since 1973 all recruits were volunteers, not draftees, and, second, higher percentages of black youth meet the standards for enlistment now than before. Improved educational opportunities for blacks have, I think, yielded higher aptitude scores for blacks. During this same period, however, unemployment rates for black youth have become very high. In my opinion, the military offers blacks and other minorities better opportunities for training and advancement than does much of the civilian sector. It is no surprise, therefore, that large numbers of blacks are joining the service and making a career of it.

At the same time, the equity issue persists: no group should have to bear a disproportionate share of the burden of defending, or, in the event of war, a disproportionate share of the casualties. I do not believe we are at the former stage yet, nor do I foresee it in the future. As for the latter, a major war would in all likelihood stimulate a draft, and racial balance among military personnel, including casualties, would be quickly restored.

RESERVE FORCE

During most of the life of the AVF, senior DoD officials focused on the active forces and thought of the Reserves as a mere adjunct. Only recently have we begun to look seriously at our Reserve problems, and only very recently have we begun to do anything about them. The decline and the problems of the Reserves are not a function of the AVF; rather, they are primarily the product of poor management decisions in DoD. In the past couple of years, we have made some real progress in Reserve matters, and, I am convinced, this long overdue corrective action can continue in the AVF environment.

The Selected Reserve constitutes a significant portion of the combat power and support capability of our total force—for example, the Army Reserve components' eight divisions, 20 separate combat brigades, and four armored cavalry regiments. Throughout most of the 1960s and 1970s, Selected Reserve strength declined, from 953,000 in 1964 to 799,000 in 1978. In the past few years, the curve has swung upward, so that today, Selected Reserve strength is over 850,000. Enlistment and recruitment bonuses, educational incentives, increased recruiting resources, full-time professional recruiting staff, and increased Reserve drill pay—all contributed to this growth. Between now and 1987, we plan to add another 136,000 to the Selected Reserve.



DISTRIBUTION OF DOD TOTAL ACTIVE DUTY ENLISTED PERSONNEL BY RACIAL GROUPS

DEFENSE 82

The Individual Ready Reserve (IRR) is our principal source of pretrained individuals to fill out active and Reserve units and to replace casualties in the event of a war. Because it consists of former active duty personnel completing their full military obligation, the size of the IRR is a function of the size of the active force and the length of the enlistment obligation. Thus, the IRR suffered a dramatic decline in the post-Vietnam years, from 1,229,000 in 1973 all the way down to 356,000 in 1978—a 70 percent drop in five years! But here too the curve is up; the IRR now stands at 413,000 and we project 456,000 in 1982. Despite this improvement, the Army alone is still short one-quarter of a million trained individual reservists.

We simply have no hope of expanding the IRR sufficiently without spending real money to do it. The cost-free options have been tried, but don't do the job. We expect to work with the Congress over the next year to develop a package of enlistment bonuses, other incentives, and longer service obligations to fill these frustrating and potentially dangerous shortages.

CONCLUSION

As this essay has, I hope, made clear, it is my belief, á la Mark Twain, that the rumors of the death (or even the terminal illness) of the AVF are premature. We have made considerable progress with the active forces under the AVF; notably less progress with the Reserves.

We are, as I said earlier, moving in the right direction, but we cannot ease up on the gas. The military pay raise this year was essential. Educational incentives must be enhanced. Quality of life must be improved and maintained. The Reserves, in particular, must be strengthened.

Last year, the President appointed a Military Manpower Task Force, chaired by Secretary Weinberger. We are hard at work reviewing the adequacy of military compensation and incentives; educational benefits; current manpower readiness; effectiveness of training, leadership, and discipline; enlistment standards; recruiting and retention efforts; and Selective Service registration.

The All-Volunteer Force, in my view, has been successful. The mandate of the Military Manpower Task Force, and my own agenda in DoD, is to identify and solve its problems in order to make it function even better in the future. With the cooperation of everyone in DoD—civilian and military, active and Reserve, men and women—and with support from the senior officials of the Administration and from the Congress, I believe we can and will succeed.

Senator JEPSEN. At this time, General Tice, I do have additional questions in the area of training; in the area of skill shortages; the area of length of enlistment; some of the plans that you have on the drawing board for future pay, and also some questions regarding dependents that I would like to submit and have you reply to for the record.

General TICE. I will be glad to, sir.

Senator JEPSEN. We also have questions for the record from Senator Exon.

General Tice, if you or Mr. Donovan have any remarks or comments to make in closing this hearing you are welcome to do so.

General TICE. Mr. Chairman, we want to express our appreciation for the support you have given us, and we look forward to working very closely with your committee so that we can meet the challenge that faces us in the 1980's, so that we will be assured of having a credible defense in our Armed Forces.

Mr. DONOVAN. I have nothing further to add.

Senator JEPSEN. You can count on our mutual interest and cooperation in working on things that will help continue to build the morale, the strength and the effectiveness of our Armed Forces, especially as it relates to where our interests primarily lie, in the area of manpower and personnel.

Thank you very much.

[Questions submitted for the record follow:]

QUESTIONS SUBMITTED BY SENATOR ROGER W. JEPSEN

ASSISTANT SECRETARIES OF DEFENSE

Senator JEPSEN. Will two additional ASD positions result in an increase to the budgetary requirements of the Department of Defense? How many additional staff positions will have to be created to support the two additional ASD positions? Identify each position and its corresponding rank, title, level or grade.

Answer. No significant additional resource requirements will be imposed upon the DOD as a result of this action. The new Assistant Secretaries would be responsible for functions already being performed within the Department and which, under current arrangements, are assigned to individuals who are already earning $58,500, which is the pay for Assistant Secretary positions. For the most part, staffs for the functions involved are already in place and office space has already been allocated. The minor augmentations which may be required in this regard would come from within existing DOD resources.

Senator JEPSEN. Will two additional ASD positions entail any change in the authority of the military departments?

Answer. The proposed legislation does not affect the authorities or responsibilities of the Military Departments.

Senator JEPSEN. Which of the current Assistant Secretary positions are statutorily designated specific responsibilities?

Answer. Of the seven (7) authorized Assistant Secretary positions within the Office of the Secretary of Defense, three (3) are statutorily designated specific responsibilities—the ASD (Comptroller), the ASD (Manpower, Reserve Affairs, and Logistics), and the ASD (Health Affairs). Of the Assistant Secretary positions assigned to the Military Secretariats, the Assistant Secretary (Manpower and Reserve Affairs) in each of the Military Departments and the Assistant Secretary of the Army (Civil Works) are statutorily designated specific responsibilities.

Senator JEPSEN. Since DOD has downgraded two ASD positions—the ASD (C^{3}I) and the ASD (PA&E)—why does the Department need two additional ASD positions?

Answer. The Secretary decided to upgrade the ATSD (Legislative Affairs) to the ASD level which it held prior to 1977. To provide the necessary ASD authorization, the ASD (PA&E) was designated Director (PA&E). Also, in order to improve policy planning within OSD, its coordination with other agencies, and the integration of Defense policies and plans with overall national security objectives, the Secretary decided to establish an ASD (International Security Policy) in lieu of the DUSI (Policy Planning). The ASD (C^{3}I) position was used to provide the necessary ASD authorization for this position.

Senator JEPSEN. Does the DOD plan to restore the ASD (MRA&L) position to the configuration which existed prior to 1977?

Answer. At this time, we do not plan to restore the ASD (MRA&L) position to the configuration which existed prior to 1977. For the most part, we are satisfied that there are a number of advantages under the present integrated structure. It clarifies reporting arrangements in the support area by clearly assigning all authority and responsibility on these matters to a single executive. It consolidates matters affecting DOD military personnel with the administration of logistical support for these people. It also facilitates the planning and coordination of support functions and, in so doing, reduces fragmentation, overlap and unnecessary staff work.

Senator JEPSEN. How and why were the five (5) Assistant Secretary positions disestablished in 1978?

Answer. The five (5) positions were disestablished by Secretary of Defense Brown through a Defense Reorganization Order, which was submitted to Congress on March 7, 1978. This action was undertaken by Secretary Brown to reduce the number of executive level positions in the Department. Although suited to the defense policies of the time, this action in today's environment has a detrimental effect on defense management in that it has reduced the flexibility of the Department in adapting the Office of the Secretary of Defense and the Service Secretariats to changes in defense priorities, policies, and program emphasis.

Senator JEPSEN. Why do you need two Assistant Secretaries in the Office of the Under Secretary of Defense for Policy where formerly you had one?

Answer. Many of the functions assigned to the new ASD (International Security Policy) were formerly performed by the Deputy Under Secretary of Defense for Policy Planning. However, the world situation is increasingly uncertain and the U.S. finds itself faced with a number of potentially volatile trouble spots requiring resolute, well-planned, and coherently executed international security strategies and actions. In order to upgrade and broaden policy planning activities within OSD, its coordination with other agencies, and the integration of Defense policies and plans with overall national security objectives, the Secretary felt it was essential to upgrade the current Deputy Under Secretary of Defense for Policy Planning to establish the ASD (International Security Policy). Furthermore, establishment of the position at the Assistant Secretary level facilitated the recruitment of top calibre individuals to carry out the important functions assigned to the organization.

C^{3}I

Senator JEPSEN. What is the current organizational arrangement for the management of DoD communications, command, control and intelligence (C^{3}I) functions?

Answer. C^{3}I responsibilities are currently assigned to a Deputy Under Secretary of Defense (Communications, Command, Control, and Intelligence) (DUSD(C^{3}I)) who reports directly to the Under Secretary of Defense (Research and Engineering). The DUSD(C^{3}I) acts as executive agent and principal coordinating authority for DOD-wide C^{3}I activities. C^{3}I policy input is provided to the DUSD(C^3I) by the Under Secretary of Defense for Policy. Advice on operational matters is provided by the OJCS.

Senator JEPSEN. Did the change from ASD to DUSD status represent a de-emphasis of the C^3I mission area?

Answer. On the contrary, this action moved C^3I into the mainstream of the USD(R&E). At the same time, the change allows C^3I to interact more effectively with the strategic and tactical weapons communities. Accordingly, C^3I resources can be more effectively managed in the context of associated weapon systems and their mission area environment.

Senator JEPSEN. Why does DoD need 23 Assistant Secretaries when the Department of Health and Human Services, the only Federal department with a budget larger than DoD, manages with seven (7) Assistant Secretaries?

Answer. It is erroneous to compare the Department of Defense with the Department of Health and Human Services. The DoD is a worldwide organization comprising three million personnel, four Military Services, twelve Defense Agencies, and eight Unified and Specified Commands. The mission of the Department of Health and Human Services is considerably more circumscribed and distinctly different from that of DoD.

Senator JEPSEN. Why does the Navy need an Assistant Secretary for Financial Management?

Answer. The Navy Secretariat needs to restore its financial management function to Assistant Secretary status, making it compatible with the Army and Air Force. During 1981, the Assistant Secretary of the Navy (Financial Management) authorization was utilized to establish the urgently needed Assistant Secretary of the Navy (Shipbuilding and Logistics) position. Given the emphasis on improving financial management, coupled with the size and growth of the Navy budget, it is particularly important that the senior financial manager of the Navy be returned to the stature reflected in the designation as an Assistant Secretary.

MILITARY PAY ADJUSTMENT MECHANISM

Senator JEPSEN. For the past 2 years the Congress, at the administration's request, suspended the current pay adjustment mechanism and provided larger pay increases for military personnel.

Is it your intention to request a suspension of the mechanism for a third year?

Answer. Yes, we are projecting an 8 percent pay increase for military personnel and a 5 percent pay increase for federal civilians.

Senator JEPSEN. I understand a DOD working group is studying alternative pay adjustment mechanisms.

Answer. Yes. A joint Services study group chaired by the Navy was convened in January to study, and then recommend to the Office of the Secretary of Defense, the best method for making adjustments in military pay.

Senator JEPSEN. Can you provide us with any information concerning this study?

Answer. We cannot report any results at this time. The study group is looking at the full range of possible alternatives for adjusting military pay but it has not as yet reached any definitive conclusions. The study group expects to submit its final report in April.

Senator JEPSEN. When will the Congress receive a final report on this issue?

Answer. The final report of the study group will be made available to the Congress immediately upon completion.

EDUCATION INCENTIVE PROGRAM

Senator JEPSEN. With regard to the Education Incentive Program, will this program be used to offset or replace enlistment bonuses? If not what studies have been done to support the cost effectiveness of this added benefit? What criteria have you established for judging the continued effectiveness of the program?

Answer. Educational incentives are considered part of a complementary total enlistment incentive program. This includes monetary, educational, and non-monetary incentives. It is under this premise that the Service recruiting, advertising and enlistment incentive programs are sized and the incentive program is managed to enlist the quantity, and quality of recruits required in all skills.

LENGTH OF ENLISTMENT

Senator JEPSEN. Does it not seem reasonable to you that in the present day conditions of fully meeting recruiting goals that the Services could in part offset future recruit shortfalls by increasing enlistment lengths, particularly in the Army?

Answer. The Services already utilize numerous incentives to strongly encourage youth to enlist for longer terms of service. An indication of Service success in this area can be seen in the following table:

TOTAL DOD ACTIVE DUTY NPS ACCESSIONS[1] BY LENGTH OF ENLISTMENT

[By fiscal years, percent of total]

	1964	1968	1972	1976	1980	1981
2 yr	38	50	21	(2)	1	1
3 yr	26	23	37	41	38	31
4 yr	36	27	42	54	54	60
5 and 6 yr	(2)	(2)	(2)	5	7	8
Average length	2.98	2.79	3.22	3.68	3.74	3.83

[1] Includes males and females; inductions, enlistments and Reserves with 2 or more years initial active duty obligation.
[2] Less than ½ of 1 percent.

We believe the current terms of enlistment and incentives programs permit the best possible tradeoffs between enlistment requirements (quantity and quality), turnover, training costs and career management flexibility. We believe it would be counterproductive to try to mandate further increases in the length of the initial enlistment.

TERMS OF ENLISTMENT

Senator JEPSEN. The Navy is the only service that routinely requires a 5-year enlistment to enter such occupations as engineering, etc. However, new recruits enlisting in the other services for similar occupations and similar training investment can enlist for periods of only 3 or 4 years. Therefore, would it not be reasonable that if one Service was successful in obtaining longer enlistments, these same enlistment requirements could be placed on the other services.

Answer. Not entirely. Attractiveness to a particular Service is a complex matter that includes factors such as the qualified populations' image and perception of each Service. For this reason, the likelihood that an individual would enlist in any Service, for the same length of time for a particular job is highly unlikely.

SIMULATION AND TRAINING AMMUNITION

Senator JEPSEN. There is much discussion today about the cost of training (i.e., equipment, fuel, ammunition). This seems to be leading the Services to greater use of simulators and other training devices as a means of substituting for training on actual equipment to be used in combat. What can we expect over the next several years in this area, and, through simulation techniques, will the U.S. be able to reduce its training ammunition requirements per individual to levels being experienced by our allies?

Answer. The question implies that the primary purpose of simulation is to save in the operating costs of actual equipment. I disagree with this view: As the Secretary of Defense said in his Annual Report to the Congress for fiscal year 1983, "readiness dividends are the primary goal of simultation, while savings in fuel and ammunition should be regarded as secondary, albeit highly desirable, goals." In other words, what we seek from simulation is better training and thus an increase in readiness. If funds for training with actual equipment can be saved without undue sacrifice of the gain in readiness, we will, of course, realize the savings.

Over the next several years we will continue to use on-hand means of simulation and develop new ones to improve training. The Army's National Training Center and the Air Force's RED FLAG training operations are prime examples of battle simulation at its best. Improved simulators for exercising key members of crews of ships in port in coping with multiple threats will come on line. Aircraft simulators, new and on hand, will continue to be used to provide quality training, with emphasis on training that otherwise cannot be provided because of safety considerations, restrictions on airspace use and constraints on range availability.

Such information as we have about allied expenditures of training ammunition tends to show that U.S. expenditures are smaller in some cases, larger in others. In any case, ammunition expenditures of other nations which have different budgetary problems and manpower situations, different tactical doctrine, different degrees of range availability, varying uses of simulation, etc., are not a useful guide in setting U.S. expenditures, especially since there are no international standards on what level of expenditures is "right." Looking toward the future, it may be that ammunition expenditures can be reduced for some weapon systems by use of simulation. However, I am convinced that the main use of simulation in the next few years will be to add an increment to readiness, which is now constrained by the lack of sufficient range and maneuver space necessary for live firing. Where this is the case, I do not foresee that the requirement for training ammunition will be reduced substantially, if at all.

UNIT TRAINING

Senator JEPSEN. While individual training forms the basis for improving skills, unit training is also critical to improving our defense capability. Specifically, what is being done to improve unit training in each of the Services?

Answer. I agree with your assignment of the importance of unit training, and the fiscal year 1983 budget reflects this concern.

Trends in flying hours provide one indication of the relative emphasis given to unit training.

FLYING HOUR TREND [1]

[By fiscal years, thousands of hours]

	1981 actual	1982 estimate	1983 estimate
Army	1,609	1,628	1,651
Navy/Marine Corps	1,979	2,038	2,121
Air Force	2,608	2,785	2,877
DOD total	6,196	6,453	6 949

[1] Includes Reserve components; flying hours are those funded by operation and maintenance appropriations which fund, among other activities, all unit training.

As the table shows, the trend in each of the Services is toward higher levels of flying hours.

The need for realism and for making the best use of available space for unit training is being addressed by the Army in its continued development of the National Training Center at Fort Irwin, CA, and by the Air Force in its intensive use of RED FLAG training exercises at Nellis Air Force Base, NV. Almost all of the needed equipment and instrumentation for the National Training Center are in place and in use. These two training operations provide training that is closer to actual combat than any training previously devised. The Marine Corps conducts intensive, integrated ground-air combined arms exercises that also provide excellent training at its maneuver area at Twentynine Palms, CA. Training conducted at these facilities, although expensive, is far more effective in creating readiness than the constricted training available elsewhere.

All of the Services are making increased use of simulation for crews in units. The Department of Defense policy is that the primary objective of simulation is to make training more effective, and by so doing to raise the level of readiness. If this added increment of readiness can be sustained with some reduction in the cost of operating actual weapon systems, we plan to realize the savings. However, the Department strongly opposes reductions in operating costs that leave the readiness no higher than it was before the introduction of the simulation. This would be a false economy. With balanced use of simulation and training on the actual equipment we can buy true gains in readiness, which is one of our greatest needs.

One good example is a simulator under development to train combat information and sonar teams of Navy frigates. Training these teams is a real problem because it is not possible to replicate faithfully the full possible threat—air, surface, sub-surface, anti-ship missiles, electronic warfare—in exercises at sea. The simulator allows these key teams, using their own shipboard equipment, to practice their duties in coping with the full array of threats in any combination. Use of the simulator will probably not reduce the requirement for exercises at sea, but it will, together with these exercises, allow the crew to operate the ship near its potential in combat. This gain in mission readiness is the true payoff of the simulator.

In order to benefit fully from unit training, certain manpower and personnel preconditions must be met. First, there must be personnel stability in the unit; otherwise the team expertise produced by unit training is quickly dissipated. Personnel turnover has been a particular problem in the Army, and the Army is moving toward a comprehensive, lasting solution through a pilot program, Project COHORT, to stabilize personnel in units and rotate the units, rather than individuals, to overseas assignments. The second precondition is a full complement of qualified NCO leaders. When this precondition is not satisfied, unit training will not be very good, because the NCO's (squad leaders, section chiefs, etc.) are both the leaders and teachers in small-unit training. We are on the way to solving the NCO problem through compensation initiatives and increased training of junior NCO's to qualify them as leaders and technicians. While achieving unit stability and a solid NCO corps is not unit training per se, there is a good case that improvements in these areas will do at least as much for unit training as allocating the same amount of funds to more unit exercises. In fact, we are taking a two-pronged approach; improving our manpower and personnel situation and adding resources to unit training where they can do the most good. The results, better unit training and a higher level of unit readiness, will be fully realized over the next several years.

RECRUITING BUDGET

Senator JEPSEN. What is the total recruiting budget for all four Services in fiscal year 1983? Does that figure include the cost for bonuses and the various educational test programs? How many new recruits will be accessed in fiscal year 1983? Based upon experience what percentage will complete their first enlistment? Based upon that percentage what is the projected per capita cost to access new recruits in fiscal year 1983?

Answer. The total active force recruiting budget for DOD in fiscal year 1983 is $1,151 million. This figure does include bonus costs. There are no educational programs included in the fiscal year 1983 DOD recruiting budget.

The DOD total enlisted accessions objective for the active force in fiscal year 1983 is 383,800 or 38,700 higher than the fiscal year 1982 program. The first enlistment completion rate is approximately 70 percent. The cost per accession taking into account this first enlistment completion rate is $3,900.

DEPENDENTS OVERSEAS

Senator JEPSEN. What is your opinion regarding the effect on readiness by raising the ceiling for dependents on accompanied overseas tours? The Air Force and Marines are attempting to increase their current dependent ceilings. Has DOD explored the pros and cons of allowing more accompanied tours?

Answer. During the fiscal year 1982 Appropriations bill conference, Congress repealed the limitation on the number of command-sponsored dependents overseas. The Department has found that dependents add stability and normalcy to the military population. Their presence reduces the incidence of abnormal and disruptive behavior, permit the avoidance of debilitating family separations, reduce dependent support problems in the continental United States and substantially reduce the overall costs of a military presence overseas through the longer tours their sponsorship require. Our studies in 1978 and 1979 showed that it takes three times as many soldiers to support an unaccompanied based tours as that for an accompanied tour.

The specific reference to the Air Force and Marines is a different matter. In the case of the Marine Corps request we acknowledge the benefit to allowing them accompanied tours in Okinawa, however, we also must consider the effect of such an increase on the existing housing shortage. A final decision has not been made and the Department is actively addressing several alternatives to include possible funding of additional housing by the Government of Japan.

As we agreed during last year's hearings, the Department will aggressively pursue administrative actions to control the number of dependents overseas. Any future increases will be reflective of increases in force size, readiness considerations and the impact on retention and recruitment.

MILITARY RETIREES PROHIBITED FROM SERVING ON DRAFT BOARDS

Senator JEPSEN. General Tice, military retirees are prohibited from serving on local draft boards ostensibly because they are subject to recall during a state of emergency or mobilization. Would it be desirable to allow those retirees who are disqualified from recall (because of age, health, or other reasons) to volunteer for service on draft boards?

Answer. The prohibition against members of the Armed Forces serving on local Selective Service boards is long standing. It was a provision of the Selective Training and Service Act of 1940 and clearly spelled out the intent of Congress in making the Selective Service system a civilian agency in all respects. The effect of the prohibition was to draw and maintain a sharp line between the military and the draft boards which decide questions of deferment and exemption from military service.

The interpretation that military retirees, as members of the Armed Forces, are likewise prohibited from serving on local boards has been with us nearly as long as the prohibition itself. This interpretation has been criticized but never successfully challenged.

The prohibition, is still believed to be an important part of the statute, which includes the long standing interpretation on military retirees. Eligibility for recall to active duty only serves to minimize any pro-military bias, or perception of any pro-military bias on the part of Selective Service boards.

In view of the 40-year history of excluding all retired military personnel from serving on local boards, this policy has worked well and served to enhance public confidence in the draft mechanism. There are no plans at present to recommend change of this provision of the law.

ACCESS TO HIGH SCHOOLS

Senator JEPSEN. General Tice, to what extent are military recruiters still unable to obtain high school directory information from schools?

What are the major reasons that high schools offer for refusing to provide directory information to military recruiters?

Senator John Tower has introduced a bill, S. 1367 that would authorize the Secretary of Defense to collect high school directory information for confidential use by military recruiters. Would this legislation assist recruiters in obtaining this helpful information?

Answer. While 98 percent of the nation's high schools cooperate in one form or another with recruiters, approximately 40 percent of high schools will not provide directory information to military recruiters. In order, there are three major reasons why schools do not provide the information. First, there is a misunderstanding of the Privacy Act and the Buckley amendment. Second, many school officials, who are familiar with the Privacy Act and the Buckley amendment, are reluctant to undertake the burdensome task of giving advance notice to parents of an intention to make directory information available for recruiters. Third, a number of schools are under orders from local boards of education not to release directory information to military recruiters.

In regard to Senator Tower's bill, we are very supportive of legislation that would clarify the legality of releasing student information. We do not support legislation that would mandate release of student information. Such a mandate would be counterproductive to recruiting as many schools would probably discontinue programs involving our recruiters in career days, high school assemblies, and our high school testing program.

ACTIVE FORCE ADVERTISING

Senator JEPSEN. The relative propensity of young people to join the Army is lower than that for both the Air Force and the Navy. How has the recent emphasis on Joint-Service advertising to the relative neglect of Service unique advertising aided the Army in overcoming this Army disadvantage in the "marketplace"?

Answer. The queston implies that the increase in Joint advertising was done to the detriment of Service advertising programs. The recent increases to the level of Joint advertising originated from a Congressional Budget Office recommendation on efficiencies and economies that could be achieved in the DOD budget. The SecDef decision to increase joint advertising by $8.5 million resulted in a savings of $4.2 million in fiscal year 1982. However, a critical element in the Secretary's decision was to maintain a comparable level of support to the Service recruiting programs.

The role of joint advertising is to complement rather than supplement Service-unique advertising. Joint advertising serves primarily to increase the awareness of today's youth about opportunities of service in the Armed Forces and not any specific service in particular. DOD market research also indicates that today's youth more often than not associate joint advertising with the Army than any other Service.

Historically, the propensity to enlist in the Army has been numerically lower than that of the Air Force and Navy. But in terms of statistical significance, research shows that there is no difference between the Army and Navy propensities for 1980 and 1981. This closing of the propensity gap since 1979 can be laid to increased emphasis on the part of OSD to recognize the Army "disadvantage" and provide for real growth in Army advertising from fiscal year 1979 to the present.

The Joint Advertising Program did contribute to the successes encountered in the fiscal year 1981 recruiting year. All objectives were met, with the Army witnessing the biggest gains in terms of the percentage of high school graduates and those who score average or above on the entrance examination. Our 1982 performance to date remains strong. While all indications are that joint advertising is performing its assigned role, any assessment of the full impact must include the $25 million Congressional reduction in the fiscal year 1982 Service recruiting resource levels.

Senator JEPSEN. General Tice, please provide for the record the amount of money dedicated to Service-unique (by Service) and Joint Service advertising for each fiscal year from fiscal year 1978 through the fiscal year 1983 request.

Answer. The Active Force advertising costs for fiscal year 1978 through fiscal year 1983 are as follows:

ACTIVE FORCE ADVERTISING COSTS[1]

[By fiscal years, in millions of dollars]

	1978	1979	1980	1981	1982	1983
Army	41.3	47.8	58.1	59.0	67.6	69.1
Navy	17.1	16.6	19.0	18.9	16.2	22.3
Marine Corps	10.7	11.2	15.0	13.5	12.2	16.2
Air Force	8.3	9.0	10.6	15.1	14.5	15.3
Joint[2]	(.7)	(9.7)	(10.3)	[3] 11.6	16.4	[4] 18.9
Total	77.4	84.7	102.6	118.2	126.9	141.8

[1] Numbers may not add due to rounding.

[2] Joint advertising during fiscal years 1978, 1979, and 1980, funded from service advertising budgets.

[3] Includes $3,200,000 for educational assistance test program.

[4] Includes $1,000,000 for fiscal year 1983 advertising mix test.

QUESTIONS SUBMITTED BY SENATOR WILLIAM S. COHEN

STUDENT LOAN FORGIVENESS PROGRAM

Senator COHEN. As you know, in the 96th Congress I sponsored legislation providing forgiveness of student loans in return for military service. That proposal was included as part of the educational test program provided in the fiscal year 1981 defense authorization bill, and it was extended in the fiscal year 1982 bill. I continue to believe that it can be an attractive means of encouraging top quality individuals to serve, particularly in the reserve forces, while reducing the amount of loan they have to pay back to the government.

Yet, I have not detected very much of an effort on the part of the Services to tell young people about this program. What guidance is being given recruiters,

and to what extent is this program being used to try to encourage college educated individuals to consider service in either the reserves or active forces?

Answer. The Services have advised their recruiters on the value of the loan forgiveness program in attracting high quality personnel for military service. Recruiters have been given detailed information regarding the eligibility criteria and the benefits available through this program. The first year of the program produced over 5,000 enrollments. This is a good indication that recruiters, with the assistance of advertising efforts, were getting the word out to potential recruits.

Senator Cohen. To follow up on this, I am told that it has been suggested that when notices are sent to individuals telling them of the amount of loan they still owe, a card could be enclosed informing them of their eligibility for the student loan forgiveness program. According to the information I have received, the board administering student loans is agreeable to this, but the Defense Department has apparently indicated a total lack of enthusiasm. Supposedly, DOD officials think this simple effort is too much work for them. I would like to know if the information I have been given is correct. If so, what are the reasons for resisting what could be a low cost means of encouraging service by top quality individuals? I'd like some positive action on this.

Answer. There continues to be some misunderstanding about our working relationship with the Student Loan Marketing Association (SLMA). At one point last summer we had discussed with SLMA the feasibility of SLMA notifying their borrowers of the Armed Forces Loan Repayment Program. However, because SLMA only handles 20 percent of the guaranteed student loans outstanding, and none of the national direct student loans, SLMA recommended mailing public announcements via the Department of Education's "bulletin" which goes to all lenders and student financial aid officers. This was done. We plan to continue to use the bulletin for general announcements to lending officials.

ENLISTED ATTRITION

Senator Cohen. We have heard for the past couple of years about the importance of recruiting high school graduates, since their attrition rate is about half that of non-high school graduates. I have two questions: Are the attrition levels for high school and non-high school graduates the same as they were a year ago—I believe about 22 and 44 percent respectively—or have you made improvements in attrition? With increased numbers of high school graduates in the force, what are the estimated attrition figures for this past year's recruit cohort, and how do those compare to previous recruit groups?

Answer. Attrition, the failure to complete the first three years of an enlistment contract, has improved steadily over the past 4 years. Last year the most recent cohort to have completed three years of service was the fiscal year 1977 cohort. Rates for that cohort, and the fiscal year 1978 cohort, which completed three years service in September 1981, are as follows:

COHORT YEAR

	Fiscal year 1977	Fiscal year 1978
High school diploma graduate (HSDG)	24	23
Non-high-school diploma graduate (NHSDG)	46	41
Total	31	28

SERVICES' ESTIMATES FOR THE FUTURE ATTRITION

[Fiscal years]

	1979	1980	1981	1982
Army	33	36	31	33
Navy	26	24	25	25
Marine Corps	27	28	27	27
Air Force	28	28	27	28

Note: These projections from the fiscal year 1983–87 POM are based on the services expectations of the high school/non-high-school grauate accession mix about a year ago (when the fiscal year 1983 POM was submitted). If that mix changes and proportionately more high school graduates are recruited, this total attrition projection will improve.

DRUG ABUSE

Senator COHEN. The Army and Navy, I notice, have undertaken strong programs to reduce the level of drug abuse in their ranks. This is an effort which must be applauded. At the same time, however, what safeguards are included in these programs to insure that soldiers don't use this as an opportunity to opt out of their service obligation?

Answer. All services are operating strong programs to reduce drug and alcohol abuse. We have had some favorable court decisions and some technical advances which enabled us to implement and enforce a get-tough policy. Given the way we have designed the policy, we don't believe many soldiers will choose to try to manipulate the system. We no longer are constrained to give only Honorable discharges to those who cannot or will not be rehabilitated. We can award the character of discharge which is appropriate for the quality of service rendered. Drug abuse is no longer an easy way out. It can result in administrative characterization of a discharge as less than fully Honorable. It can also result in issuance of a punitive discharge by a court-martial. We don't believe too many will take that risk to avoid their service obligation.

LENGTH OF TRAINING RECEIVED BY RECRUITS

Senator COHEN. Concern has been expressed in recent years about reductions in the level of training received by recruits. Could you provide me service by service information on present training requirements and on how those requirements correspond to previous training levels in both the AVF and draft-era military?

Answer. Reductions in the level of training received by recruits occurred during the 1970's. In recent years some of the Services have programed increases to strengthen training for new recruits. Although current training lengths are quite similar to those of the draft-era, the Services believe that current curriculums for recruit training produce a better trained and better disciplined servicemember. Information for each Service is contained in the following table:

RECRUIT TRAINING COURSE LENGTH

[In weeks]

	Army	Navy	Marine Corps	Air Force
1964 to 1972[1]	8.0	9.0	9.2	6
1975	7.0	9.0	11.0	6
1976	7.0	9.0	11.0	6
1977	7.0	9.0	11.0	6
1978	7.0	8.0	11.0	6
1979	7.0	7.7	9.0	6
1980	7.0	7.7	10.3	6
1981	7.0	7.7	10.3	6
1982	7.6	7.7	10.3	6
1983	8.0	7.7	10.3	6

[1] Average length of training over the draft-era.

RESERVE OFFICER'S TRAINING CORPS (ROTC)

Senator COHEN. One reflection of the status of military service is the level of interest in the Reserve Officer's Training Corps (ROTC) program. Could you provide information on the level of ROTC participation, both by school and individuals, and how that participation compares to previous years in the Vietnam draft-era and under the AVF?

Answer. The information provided in the tables below shows the increasing trend in ROTC participation.

As the table of enrollments shows, ROTC participation was relatively high toward the end of the draft-era. An influential causative factor was the fact that ROTC membership resulted in a draft deferment following by service in officer, rather than enlisted, status. The end of U.S. involvement in Vietnam and the end of the draft eliminated this incentive. Enrollments fell off steeply, but bottomed out in 1973 to 1975. Since then enrollments have increased, in part because of the drawing power of ROTC scholarships and in part because of more favorable views of military service. Enrollments are now back to about the same level as in 1970–71.

Numbers of ROTC detachments have stayed fairly level over the period shown.

ROTC enrollments (beginning of academic year)

Academic year:	Total DOD enrollments
1970–71	109, 596
1971–72	83, 332
1972–73	72, 355
1973–74	61, 279
1974–75	65, 824
1975–76	73, 943
1976–77	79, 787
1977–78	84, 586
1978–79	87, 176
1979–80	91, 776
1980–81	100, 797
1981–82	105, 725
Academic year:	
1970–71	510
1976–77	489
1981–82	485
1982–83	513

GI BILL

Senator COHEN. Congress has waited patiently for the Defense Department to come forward with its GI bill recommendations. When can we expect that report to come forward?

Answer. The Department has proposed the following as its proposal for an educational incentive program for military personnel:

Continue the current Veterans' Educational Assistance Program, VEAP, together with Secretary of Defense supplemental kickers, through fiscal year 1983.

Option to propose an alternative to VEAP if necessary.

Extend 1989 delimiting date on the GI bill.

Continue current Selected Reserve program of educational assistance.

EDUCATIONAL BENEFITS TEST

Senator COHEN. GAO has suggested that Congress should not enact a new GI bill without first studying whether there are better alternatives, such as higher enlistment bonuses. Congress, as you know, has some concern about increasing enlistment bonus levels. Have you studied the GAO recommendation, and what is your reaction to it?

Answer. The Department agrees with the GAO that:

The Educational Assistance Test Program (EATP) was not designed to measure the cost effectiveness of educational benefits and enlistment bonuses and, therefore, does not; and

The implementation of the EATP was carried out in a way that would provide reliable answers to those questions it was designed to answer.

The Department does not agree that another educational benefits test is required or that the presently authorized bonus test should be expanded. A test, such as the one outlined in the GAO report, would be impractical due to the numerous factors needed to be evaluated that would result in test cells so small that we could not obtain the desired levels of balance and representativeness.

PERSONNEL READINESS

Senator COHEN. In late 1980, we heard that 6 of 10 U.S.-based Army divisions were not in a state of readiness, primarily because of manpower problems. What is the situation today?

Answer. The personnel readiness of U.S.-based Army divisions continues to show significant improvement over past performance. As of March, 1982, [deleted] of our 10 stateside Army divisions were not combat-ready due to personnel reasons. This improvement is largely due to increased retention and a growing inventory of noncommissioned officers. While the total Active Army had a shortfall of nearly 9,000 NCO's at end fiscal year 1980—giving rise to our poor readiness status at that time—at end fiscal year 1981 we were within 2,650 of our active Army NCO demand, and we expect to eliminate the shortfall completely by the end of fiscal year 1983. At the present time, [deleted] of the 10 U.S.-based

Army divisions [deleted] rated as not-combat-ready, and this for reason of [deleted].

JOB MISMATCH

Senator COHEN. During the draft era, one of the most common complaints was that service members were required to serve in Military Occupational Specialties (MOS's) outside of their skill training. What is the MOS mismatch level today, and how does it compare to historical levels?

Answer. In a GAO report published in November 1979 (Active Duty Manpower Problems Must be Solved), the Comptroller General stated that except for the Marine Corps' 20 percent and the Air Force's 37 percent, job or skill-level mismatches do not appear to be significant. Subsequent research revealed that most of the Air Force's mismatch was in the skill-level area—e.g., a personnel specialist working as a personnel technician (higher skill) or as a personnel apprentice (lower skill). The Air Force documented a job mismatch of approximately 3 percent. Similarly in the Marine Corps, the bulk of mismatch is in skill levels rather than in the job category. It must be realized that a certain level of job mismatch, about 5 percent, will always exist. Certain skills have requirements almost exclusively at sea or overseas. When individuals holding those skills return to shore duty or to the CONUS, most will be assigned out of their primary skill area. The alternative of keeping them continuously at sea or overseas is obviously not acceptable.

GI BILL

Senator COHEN. Last year, the Army said a new GI bill would be its number one priority. In addition, we were told that VEAP enrollment had dropped by 42 percent since the program began. Yet, there is apparently resistance. In your view, is it not possible to create a program which will encourage the enlistment of top quality, educationally motivated individuals, while at the same time not hindering reenlistment?

Answer. The Department believes that if an educational benefit is too large, a number will be encouraged to leave the Service to take advantage of it. To offset this problem, retention incentives would be necessary.

But because of the Department's recent recruiting and retention successes and the constrained Federal budget that we face, the Department has proposed the following as its proposal for an education program for military members.

Continue the current Veterans' Educational Assistance Program, VEAP, together with Secretary of Defense supplemental kickers, through fiscal year 1983.

Option to propose an alternative to VEAP if necessary.

Extend 1989 delimiting date on the GI bill.

Continue current Selected Reserve program of educational assistance.

ATTRITION

Senator COHEN. I understand that there is a new Defense Department report saying that attrition rates for recruits are influenced by their service experiences particularly assignment locations and occupational specialties. What steps is DOD taking to respond to the study's findings?

Answer. The report you refer to is a report conducted by Rand Corporation for the Department of Defense, entitled The Role of Service Experience in Post Training Attrition in the Army and Air Force dated June 1981. The report confirmed what experience has shown, that high school diploma graduates (HSDG) and enlistees who do not enter active duty immediately after enlisting (i.e., they spend a period of time in the Delayed Enlistment Program), attrit at lower rates. The report also stated that a preliminary review indicated that because attrition varies by occupation and location, it may be possible to improve attrition management by altering policies which pertain to job and location assignment of first termers. The report did not make concrete recommendations as to policy changes, but merely suggested that it might be useful "to conduct a more detailed inquiry into the factors that precipitate unusually high (or low) attrition levels in different locations and occupations." Copies of this report have been provided to the Services and RAND is conducting additional research in this area. All of the Services have aggressive attrition management programs which are showing impressive results. DOD-wide attrition was 37 percent for the fiscal year 1974 cohort; for the fiscal year 1978 cohort (the most recent cohort to have completed three years of service) it was 28 percent.

RECRUITING OUTLOOK

Senator **Cohen**. In his report to Congress, Defense Secretary Weinberger warned that unless the congressionally imposed quality controls are eased, recruiting will be very difficult in fiscal year 1983 and beyond. This past year, the standards have appeared to have a salutary effect. What are your projections for fiscal year 1982 for the four services? And what do you project the shortfalls to be in future years if the existing standards are maintained?

Answer. All the Services should achieve their enlistment goals in fiscal year 1982. Although it will be difficult, given the recruiting and advertising resources requested for fiscal year 1983, the Services should also meet their accession goals for that year. We have also programed funds and initiatives to meet the fiscal year 1984 and beyond requirements. However, due to the many intangibles (the economy, decisions to reduce funded programs, force size decisions and the general uncertainty about projections) we are less certain about our ability to achieve accession requirements under those constraints in fiscal year 1984 and beyond.

While DOD remains committed to recruiting individuals who offer real prospects of successful performance in service, we remain opposed to the legislative constraints which limit management flexibility and may force the Services to deny enlistment to young men and women capable of satisfactory performance in the Armed Forces.

AWOL AND DESERTION

Senator **Cohen**. I understand that the number of desertions and absences without leave declined in each service last year and the overall rates hit their lowest levels since 1968. To what do you attribute this improvement? And, how do these figures compare to historical desertion and AWOL levels? Finally, what is the estimated cost savings for the services as a result of these improvements?

Answer. During fiscal year 1981 the Military Services have made substantial headway in reducing their AWOL and desertion problems. Each Service except the Navy had substantial reductions. As an example, the Army AWOL rate per 1,000 servicemembers went from 41.6 in 1980 to 36 in 1981; the Marine Corps went from 83.6 to 73.9 during that same period. Desertion rates also decreased, in 1980 the Army rate per 1,000 servicemembers was 19.6, while in 1981 it was reduced to 15.9. These changes reflect significant improvement in these areas. The following chart gives you an historical perspective of the improvements made in the area of AWOLs and desertions.

	Army	Air Force	Marine Corps	Navy
AWOL's per 1,000 service members:				
1974	129.9	17.3	287.5	53.8
1981	36.0	5.2	73.9	77.[illegible]
Desertions per 1,000 service members:				
1974	41.1	2.4	89.2	21.2
1981	15.9	1.0	28.8	21.8

The Navy, unfortunately, has had some unique problems that they are now addressing and therefore we anticipate substantial reduction in their figures next year.

The major reasons for these improvements are a greater emphasis on cohesion, unit stability, emphasis on recruitment of quality people, better screening of personnel files for reenlistment eligible individuals, and command emphasis on deterrence and apprehension. Additionally, the recent emphasis on improving the quality of service life through construction of Morale, Welfare and Recreation (MWR) facilities such as child care centers, physical fitness and community activities centers, and expanding existing MWR programs to meet the needs of both single and married personnel, has directly attributed to this reduction.

The Services have not attempted to determine the cost savings associated with the decline in desertion and absenteeism and therefore the data you requested is not available.

MILITARY DISCIPLINE

Senator **Cohen**. Has there been an improvement in other discipline indicators during the past fiscal year?

Answer. The traditional indicators for military discipline provide a measure of the quality of service members and the state of discipline in the Armed Forces. We are encouraged by the results of fiscal year 1981. As discussed previously AWOLs and desertions have significantly declined. Other indicators such as court-martials, nonjudicial punishment rates, and "bad" discharges both punitive and administrative have increased. We feel that this is an indication that commanders are responding aggressively in taking action against offenders. It also reflects a higher state of discipline which ultimately safeguards the basic rights of service members. This emphasis was alluded to as one of the reasons for decreases in desertions and absenteeisms. Improvement in these indicators are considered positive indication of the improving state of discipline within the military and therefore directly impact on readiness.

QUALITY OF LIFE

Senator COHEN. What quality of life improvements are most essential to meet the needs of our men and women in service?

Answer. Quality of Life is a synthesis of many individual DOD programs that recognize the importance of our Armed Forces personnel and acknowledge their contributions to the defense effort. Our efforts have been directed toward improving existing programs as well as identifying and generating new programs to help overcome some of the negative aspects of military life. Medical care, family and bachelor housing, child care programs, recreation and community activities, education, postal services and religious programs all fall under the broad umbrella of the Quality of Service Life. Quality of Life also addresses issues like policies on tour lengths, assignments, housing allocations employment and deployment of women and other nonpay compensation. It includes activities such as financial counseling, lending closets, family services programs, housing referrals, and social clubs. It helps to augment a comprehensive system of compensation and awards.

Our main thrust must continue to be to insure that we have adequate quarters for our enlisted personnel, family housing, child care and family service centers and programs as well as maintenance facilities, hardstands and better working conditions.

This must be accomplished without dissipating the support for existing medical care, and other Quality of Life initiatives. This is especially significant in light of the correlations that have been identified between Quality of Life programs, and recruitment and retention of qualified personnel and on the discipline, morale, and readiness of our forces.

REPRESENTATIVENESS OF RECRUITS

Senator COHEN. What information can you provide to show the representativeness of today's force to its civilian counterparts?

Answer. In discussions about the All-Volunteer Force, emphasis is placed on the cross-sectional character of the enlisted force and the need to have a military that mirrors the society it serves. Our recently released study, "Profile of American Youth" provides, for the first time, an accurate index for evaluating the representativeness of new recruits in terms of enlistment test scores and level of education.

Armed Forces Qualification Test (AFQT) scores of fiscal year 1981 military accessions were compared with those of the civilian youth population. In general, recruits scored higher on the AFQT than did contemporary young people. Approximately the same proportion of individuals with above average scores were found in both the youth population and new enlistees. However, the proportion of accessions scoring in the average range was considerably higher than the comparable proportion of youth in the general population. Both groups had about the same proportion who scored below-average.

A comparison of the educational level of the youth population with fiscal year 1981 accessions showed that each Service recruited proportionately more individuals with a high school diploma than were found among contemporary youth. This was true for both males and females within the three racial/ethnic groups (i.e., whites, blacks, and Hispanics).

READING ABILITY OF RECRUITS

Senator COHEN. We have heard criticism of the reading level of non-prior service recruits. What is DOD's latest information on this?

Answer. Because the DOD enlistment test, the Armed Services Vocational Aptitude Battery (ASVAB), correlates highly with commercial reading tests, it is possible to estimate the reading abilities of new recruits from their ASVAB scores. The estimated reading grade levels of fiscal year 1981 non-prior service accessions are: Army—9.0; Navy—10.0; Marine Corps—9.8; Air Force—10.2; and total DOD—9.7.

ENLISTMENT STANDARDS OVER PAST YEARS

Senator COHEN. How do enlistment standards today compare to those in the last year of the draft and in 1964, the last draft year before the Vietnam buildup?

Answer. The Military Services used two different sets of enlistment standards during the draft years—one for draft registrants and a more stringent one for volunteers. Consequently, in comparing today's standards with those of the earlier periods, it is necessary to make comparisons with the two sets of standards, separately. In fiscal year 1964, Army standards for inductees were lower than fiscal year 1982 standards. For volunteers, however, today's standards are slightly less stringent than those in use in fiscal year 1964.

During fiscal year 1972, standards changed frequently as the draft calls declined. For example, Army standards changed six times during that year. As the year progressed, the standards became more stringent. Fiscal year 1982 standards are about the same as those in effect at the end of fiscal year 1972. Physical standards have remained approximately the same over the last two decades.

REENLISTMENT STANDARDS

Senator COHEN. How do reenlistment standards today compare to those in the last year of the draft and in 1964, the last draft year before the Vietnam buildup?

Answer. Because there is no clear-cut overall DoD trend in reenlistment standards, this question must be addressed separately for each Service.

Army reenlistment standards are more stringent today than in 1964 and 1972. Mental requirements are tougher, there is stricter enforcement of the weight control policy, and weapons qualification has been added as a reenlistment criteria. Initial term soldiers must now be E4 or above to reenlist except for two year enlistees. The Army can be more selective in its reenlistment policy because of the success we are having in retaining soldiers.

Present *Navy* standards are significantly revised from those in 1972. In January 1979 the Navy made the following changes:

Non-rated personnel eligible for RE–3R code at EAOS without CNP approval (reduce number of reenlistment ineligibles);

E3 and below reenlistment authorized, Professional Growth Criteria significantly de-emphasized;

Good performer (including non-petty officers) may complete 20 years service; and

E4 CREO C, D and E waivers permitted for continuation beyond professional growth control points.

Marine Corps standards have not changed appreciably over the 1964 to 1982 time frame. In August 1981 the Marine Corps greatly tightened its policy with regard to involvement in drugs, narcotics, and marijuana.

The major difference in *Air Force* standards between 1964 and 1972 was the introduction of High Year of Tenure policies whereby careerists must attain certain grades to reenlist. Current standards are more stringent in that the individual must be at least E4 (was E3), may not have had more than 5 days lost time, nor have been denied NCO status (2nd term and later). Additionally, the Air Force instituted at the first-term reenlistment point the Career Job Reservation (CJR) system which permits the management of reenlistments by skill. This system is used to balance over-and-under-manned skills.

RECRUITMENT OF WOMEN

Senator COHEN. The Pentagon has, I understand, lowered its recruiting objectives for women, setting the level for enlistments in the next five years at about the level they were to reach this year. Yet, Defense Secretary Weinberger has ordered the services to break down barriers against the use of women in the military, if my information is correct. Can you tell me if this is correct, and if so, why the services are taking these seemingly contradictory actions?

Answer. Although the levels of NPS female recruitment are relatively stable over the next five years, approximately 39,000 per year DOD-wide, increased retention will result in continuing growth in the numbers of enlisted women. As of the end of fiscal year 1981 there were 160,100 enlisted women on active duty. By fiscal year 1987 that number is expected to increase 11 percent to about 177,900. Secretary Weinberger's January 14, 1982 memorandum to the Services asked that they "aggressively break down . . . barriers that prevent the . . . fullest use of the capabilities of women in providing for our national defense." The Services are complying with that guidance by increasing the numbers of women on active duty and insuring that there are no artificial barriers to their employment.

CONVERTING TECHNICIAN POSITIONS TO FULL-TIME MILITARY

Senator COHEN. Steps are being taken, as I understand it, to convert the reserve civilian technician program to one of full-time manning by active reservists. One constituent has written that the result would be a manning level more than triple what it now is at most units and a tenfold increase in the cost of manning his force. What is your comment on his concern?

Answer. In 1978 Congress directed the Department of Defense to conduct a test to determine the ability of the Reserve Components to attract, hire, and retain personnel in a military status for full-time training and administrative positions. The test was based on the House Appropriations Committee's findings that a test would be the best approach to determine if utilization of personnel in a full-time military status, in lieu of technician status, would provide the best resources and solve various management problems concerning their technician forces. The Department of Defense conducted the test and on December 30, 1980, as required by HAC Report 96–450, provided that Committee with a report on the "Test Conversion of Civilian Technicians." The report covered the effect on conversions to full-time military on recruiting, military career progress, management, morale, cost effectiveness of technicians versus full-time military, impact on readiness, etc.

The committee subsequently conducted an extensive hearing on the Guard and Reserve technician conversion program and included, among its stipulations, the following director to the Department: "Each reserve component will be free to determine the appropriate mix of full-time military and military technicians." The committee also stipulated, "As a policy, a similar skills within a reserve component will be standardized as either military technician or full-time support."

To meet these objectives and to enhance readiness of the Reserve Components, the compensation for the individuals position is not necessarily the overriding factor. To increase the readiness of the Army National Guard and Army Reserve to the same levels as the other components, an increase in full-time support personnel of approximately 4% to 7–8% of the Total Force is contemplated. In the Army Guard and Reserve this increase will occur at the unit level with only slight increases at support levels for necessary administration of the expanded force. For example, until recently, Army companies have had only 1 or 2 full-time support personnel, whereas the Marine Corps has 6–8 full-time personnel (active duty). Because of the necessity for our Reserve Forces to respond to emergencies almost immediately without the added full-time support personnel there would not be sufficient time for training units before deployment.

There are no current plans to convert all technicians positions to full-time military. The mix of technicians and full-time military personnel is in the process of being determined. Once this mix is determined, the percentage of technicians vs. AGR positions should remain relatively stable.

PRIOR SERVICE RESEARCH

Senator COHEN. A recent Rand report prepared for DOD suggests that the Services may be wasting training dollars and experience by not encouraging more of America's 23 million veterans to return to military duty. Have you seen this report? If so, what is your reaction?

Answer. The report in question is part of an ongoing project commissioned by DOD. The project's purpose is to review past and current roles of prior service accessions in both the active and reserve forces. The report summarizes the project's preliminary phase. On the basis of this preliminary study, DOD decided that a more thorough review of the use of prior service accessions in both active and reserve forces was warranted.

The Rand report drew no conclusions about the military's current use of prior service accessions. The concluding section indicates that present findings are not sufficient to recommend whether manpower planners should change their efforts to attract prior service people. The next phase of the project will analyze the cost implications of military staffing through untrained first term enlistees versus trained prior service personnel. The initial portion of that work should be completed by the end of fiscal year 1982.

SELECTED RESERVE STRENGTH

Senator COHEN. Improvements have been made, I know, in Selected Reserve strength. What is the status of efforts to restore the Selected Reserve to full strength.

Answer. As you indicated, Selected Reserve strength has grown. In the past 3 years, strength has increased over 111,000 personnel. Our request for fiscal year 1983 will add an additional 100,000 to the end fiscal year 1981 strength. In terms of meeting our wartime requirements for unit strength, fiscal year 1983 will raise us to 87 percent of those requirements, up from 80 percent at the end of fiscal year 1981.

PROFILE OF AMERICAN YOUTH STUDY

Senator COHEN. A study commissioned by the Defense Department and administered by the National Opinion Research Center at the University of Chicago has found that the all-volunteer force is attracting recruits "a cut above the average." The tests, given to 12,000 civilian men and women between the ages of 18 and 23 showed that white recruits scored 58 percent, two points higher than civilian counterparts; black recruits 33 percent, as against 24 percent in the civilian sample; and Hispanic recruits 41 percent, in contrast to 31 percent in the sample.

Could you tell us a little more about the test and your interpretation of the significance of the findings?

Answer. The Profile of American Youth, as the study is called, was designed primarily to compare new recruits with contemporary young people. It marks the first time that a vocational aptitude test has been given to a nationally representative sample. The profile information provides a basis for assessing recruiting prospects and recruiting results. To plan for possible mobilization, we must be able to relate characteristics of the national youth population to requirements for military manpower. In addition, the profile will allow manpower planners to focus on the issues of compatibility of military hardware and the people who will use it. Results from the study will be useful in determining whether new systems are becoming too complicated and demanding for most military personnel to operate effectively.

In terms of the findings you cite, comparison of enlistment test scores showed variations in the representativeness of the racial/ethnic groups. Fiscal year 1981 minority recruits scored significantly higher than minority youth in the general population.

TRAINABILITY OF RECRUITS

Senator COHEN. What do these results indicate in terms of the trainability of today's recruits?

Answer. The test used in the Profile of American Youth study measures trainability for military jobs. As a reliable index of basic verbal and numeric skills, it is used in the enlistment process to screen out applicants for the military who function at the lowest ability levels. The results of the profile study indicate that the young people who enlisted in fiscal year 1981 were more trainable than were their civilian counterparts in the general youth population.

VIETNAM MIA'S

Senator COHEN. Does DOD support extending through tax year 1982 certain provisions of the Internal Revenue Code which provide special tax treatment for members of the Armed Forces who are missing in action in the Vietnam conflict? What are the reasons for DOD's position?

Answer. The Department of Defense supports amending PL 94–569 to extend special tax treatment to Vietnam MIA's through tax year 1982. We are sponsoring legislative item 97–115 requesting this extension, and on 24 February of this year have forwarded correspondence to the Congressional leadership stating our intention to amend this law. At the time the current legislation was enacted, we had no reasonable expectation that MIA cases would remain outstanding beyond tax year 1978. Because we do have several such cases still on file we feel strongly about providing continuity in tax treatment to the affected servicemembers and their families.

INDIVIDUAL READY RESERVE STRENGTH

Senator COHEN. What steps are being taken to bolster Individual Ready Reserve strength? I know a few years ago General Robert Yerks said IRR strength under a draft at today's force levels would not be much larger than it is under the AVF. How would the shortfall compare?

Answer. Historically, the strength of the IRR has been dependent primarily upon the size of the active force rather than the method of entry (volunteer or draft) on active duty. This is because the preponderance of IRR membership comes from individuals recently released from active duty with a remaining obligation. A draft would, therefore, not affect IRR strength provided the length of enlistment contracts and authorized active strength remained the same. If, however, enlistment contracts were reduced from three years to two years under a draft, the strength of the IRR would increase by one manyear for each person drafted, but the IRR would not become much larger than it is under the AVF.

Because of active force reductions, we can no longer rely on the active force to produce the number of IRR members that are needed. Actions will need to be taken to specifically increase IRR strength. We have had some success with this approach using no cost and low cost policy changes and legislation which have resulted in a 75,000 increase since the low point in June, 1978. We are now developing a comprehensive package that will dramatically increase IRR strength. It includes as the long term solution, an extension of the military service obligation from six to eight years. This initiative will produce large gains but not until six years after enactment. In the meantime, enlistment and reenlistment bonuses have great potential for increasing significantly IRR strength. We are also planning to extend eligibility for Servicemen's Group Life Insurance to the IRR. This integrated program would resolve the mobilization manpower shortages by the late 1980's primarily through the use of an extended service obligation. Enlistment and reenlistment bonus programs as well as widening eligibility for group life insurance coverage would provide the incentives needed to reduce the personnel shortfall during the interim period.

ACTIVE FORCES PAY

Senator COHEN. Concern has been expressed about the amount of the defense budget going to pay. What percentage goes to active forces pay, and how does this compare to levels per active duty member from 1964 to the present?

Answer. The request for military personnel appropriations for fiscal year 1983 is $43.0 billion or 19.9 percent of $215.9 billion in total Defense outlays This compares with $12.3 billion or 24.9 percent of $49.5 billion in total fiscal year 1964 Defense outlays. There are 2,148,000 active duty military personnel projected to be in the force in fiscal year 1983, and there were 2,687,000 in the force in fiscal year 1964.

QUESTIONS SUBMITTED BY SENATOR JAMES EXON

MILITARY MANPOWER DEPLOYMENT

Senator EXON. In Public Law 93–365, the Congress defined the relationship of combat troops to support activities. Using this definition of combat activities and support activities will you provide the breakout of combat and support activities by Service and DOD-wide:

(a) In Europe?
(b) In Korea?
(c) In the Department of Defense total?

Answer. The requested information has been provided by the Headquarters staff of each of the Services, and is provided in the following table, to which several notes must be added:

1. Geographical deployment data are given only for Army and Air Force. Air Force figures are approximate based on historical tends. The Department of Defense total is the sum of these two. Reasons for this accounting include:

Deployed sailors or marines are not typically deployed to the land masses of Europe or Korea per se:

Those that are so deployed number relatively so few as to traditionally remain uncounted when we discuss the geographical distribution of the troops worldwide.

2. Accordingly, data for the Marine Corps and the Navy are shown in grand total only. These figures are consistent with previous measures of combat/support data developed by these Services. In addition, the grant total for Army and Air Force represents total active duty end strength by type, and consists of the sum of troops deployed in Europe, Korea, and all other troops in all other locations, including CONUS (not shown separately).

3. Europe is taken to mean the European NATO countries (Belgium, Denmark, France, Federal Republic of Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Turkey, and the United Kingdom).

4. Figures are in thousands, and reflect only force structure strengths (i.e., the individuals account is netted out).

The information follows:

	1981		1982	
	Combat	Support	Combat	Support
Air Force:				
Europe	53.5	20.8	57.5	22.4
Korea	7.5	1.9	7.8	2.0
Grand total	364.1	141.6	372.0	144.7
Marine Corps: Grand total	123.2	33.6	126.4	29.1
Navy: Grand total	203.3	226.5	218.4	243.3
Army:				
Europe	110.7	105.8	108.3	108.5
Korea	11.3	16.5	10.4	16.8
Grand total	282.6	390.0	276.0	402.5
DOD:				
Europe [1]	164.2	126.6	165.8	130.9
Korea [1]	18.8	18.4	18.2	18.8
Grand total	973.2	791.7	992.8	819.6

[1] Army and Air Force only; see notes in text.

Senator EXON. Will you submit for the record our current manpower deployment as of December 31, 1981?

Answer. The information is contained in the attached press release, dated March 9, 1982.

DEPARTMENT OF DEFENSE—ACTIVE DUTY MILITARY PERSONNEL STRENGTHS BY REGIONAL AREA AND BY COUNTRY, DEC. 31, 1981

Regional area/country	Total	Army	Air Force	Navy	Marine Corps
Total worldwide	2,093,692	783,997	574,459	544,997	190,239
Ashore	1,877,197	783,997	574,459	333,957	184,784
Afloat	216,495			211,040	5,455
U.S. territory and special locations	1,608,032	527,445	459,353	465,139	156,095
Continental United States	1,275,089	465,672	414,075	259,806	135,536
Alaska	20,472	8,291	10,492	1,497	192
Hawaii	44,371	17,837	6,256	11,283	8,995
American Samoa	1	1			
Guam	8,641	25	3,855	4,393	368
Johnston Atoll	108	100	8		
Midway Islands	387		43	344	
Puerto Rico	3,511	439	47	2,847	178
Trust Territory of the Pacific Islands	31	31			
Virgin Islands of the United States	11	9		2	
Wake Island	7		7		
Transients	92,962	35,040	24,570	22,526	10,826
Afloat	162,441			162,441	

DEPARTMENT OF DEFENSE—ACTIVE DUTY MILITARY PERSONNEL STRENGTHS BY REGIONAL AREA AND BY COUNTRY, DEC. 31, 1981—Continued

Regional area/country	Total	Army	Air Force	Navy	Marine Corps
Total foreign countries	485, 660	256, 552	115, 106	79, 858	34, 144
Ashore	431, 606	256, 552	115, 106	31, 259	28, 689
Afloat	54, 054			48, 599	5, 455
(1) Western and Southern Europe	328, 577	217, 009	79, 514	28, 981	3, 073
Austria	31	5	1		25
Belgium*	2, 112	1, 324	645	115	28
Cyprus	12	2	1		9
Denmark *	47	4	17	14	12
Finland	19	5	2	2	10
France *	93	38	14	7	34
Germany (Federal Republic and West Berlin)*	245, 689	208, 565	36, 742	281	99
Greece *	3, 265	457	2, 402	391	15
Greenland *	309		309		
Iceland *	2, 903	2	1, 137	1, 658	106
Ireland	11	2	2		7
Italy *	12, 756	4, 334	4, 223	3, 934	265
Luxembourg *	5				5
Malta	1	1			
Netherlands *	2, 432	733	1, 676	15	8
Norway *	203	38	115	30	20
Portugal	1, 418	62	1, 039	307	10
Spain	8, 584	30	5, 188	3, 191	175
Sweden	17	1	7	2	7
Switzerland	39	11	4	1	23
Turkey *	5, 050	1, 185	3, 770	73	22
United Kingdom *	25, 004	210	22, 220	2, 262	312
Afloat	18, 577			16, 696	1, 881
* European NATO	(301, 286)	(216, 952)	(74, 309)	(9, 089)	(936)
(2) East Asia and Pacific	124, 442	31, 490	32, 811	32, 8[illegible]8	27, 333
Australia	636	8	272	349	7
Burma	11	3	2		6
China	12	5	1	2	4
Taiwan					
Hong Kong	41	10	6	13	12
Indonesia	48	12	11	12	13
Japan (including Okinawa)	47, 269	2, 364	14, 261	7, 111	23, 533
Malaysia	17	8	2		7
New Zealand	66	2	10	48	6
Philippines	15, 414	30	8, 630	4, 845	1, 909
Republic of Korea	39, 317	28, 946	9, 581	318	422
Singapore	28	4	1	15	8
Thailand	103	48	34	9	12
Afloat	21, 530			20, 136	1, 394
(3) Africa, near East and South Asia	15, 019	482	568	13, 252	717
Afghanistan	7	1			
Algeria	2	2			
Bahrain	58	2		56	
Bangladesh	4				
British Indian Ocean Territory (includes Diego Garcia)	1, 641		2	1, 639	
Cameroon	8	2			6
Congo	6				6
Egypt	180	32	95	28	25
Ethiopia	5				5
Gabon	6				6
Ghana	9	2			7
India	34	4	4	4	22
Israel	99	41	26	8	24
Ivory Coast	10	3			7
Jordan	21	11	5		5
Kenya	44	21	5	1	17
Kuwait	21	14	1		6
Lebanon	16	2		1	13
Liberia	19	7	2	4	6
Madagascar	7			1	6
Malawi	2	2			
Malt	3				3
Mauritius	5				5
Morocco	46	10	8	3	25
Nepal	8	2			6
Niger	6				6
Nigeria	15	4	3		8
Oman	10	5	2	1	2
Pakistan	27	4	6		17

DEPARTMENT OF DEFENSE—ACTIVE DUTY MILITARY PERSONNEL STRENGTHS BY REGIONAL AREA AND BY COUNTRY, DEC. 31, 1981—Continued

Regional area/country	Total	Army	Air Force	Navy	Marine Corps
St. Helena (includes Ascension Island)	1		1		
Saudi Arabia	723	264	389	61	9
Senegal	11			2	9
Seychelles	4		4		
Somalia	12	5			7
South Africa	19	2	3	2	12
Sri Lanka	9			3	6
Sudan	14	4	2		8
Syria	12	2			10
Tanzania, United Republic of	7				7
Tunisia	29	16	1	2	10
Upper Volta	6				6
Yemen (Sana)	16	8	4		4
Zaire	24	10	5		9
Zambia	4				4
Afloat	11, 809			11, 436	373
(4) Western Hemisphere	16, 642	7, 454	2, 124	4, 133	2, 931
Antigua	124		1	123	5
Argentina	24	4	7	4	9
Bahamas, The	42		2	35	5
Barbados	5			1	4
Bermuda	1, 333			1, 244	89
Bolivia	11	4	1		6
Brazil	219	12	7	5	195
Canada	638	9	243	376	10
Chile	15	3	1	1	10
Colombia	26	7	3	3	11
Costa Rica	11	2			9
Cuba (Guantanamo)	2, 163			1, 673	490
Dominican Republic	16	4	1	4	7
Ecuador	22	5	5	3	9
El Salvador	59	32	1	1	25
Guatemala	17	5	1		11
Guyana	7				7
Haiti	7	1	1		5
Honduras	23	8	6		9
Jamaica	11			1	10
Mexico	27	7	5	2	13
Nicaragua	10	2	1		7
Panama	9, 616	7, 329	1, 816	315	156
Paraguay	11	3	1	1	6
Peru	24	7	6	3	8
Suriname	2	2			
Turks and Caicos Islands	1		1		
Uruguay	14	4	1	3	6
Venezuela	26	4	11	4	7
Afloat	2, 138			331	1, 807
(5) Antarctica	69			69	
(6) Eastern Europe	178	64	19	5	90
Bulgaria	9	1	2		6
Czechoslovakia	11	1	3		7
German Democratic Republic	49	42			7
Hungary	12	4	2		6
Poland	15	3	1		11
Romania	11	3	1		7
Union of Soviet Socialist Republics	54	7	6	4	37
Yugoslavia	17	3	4	1	9
(7) Undistributed	683	53	70	560	

Note: Ashore includes temporarily shore-based.

FEMALE ACCESSIONS

Senator EXON. I understand the Army again plans to inhibit the accession of women into the service in order to maintain a 65,000 endstrength. The committee staff was told in briefings that at some point during the last few months of the current fiscal year the Army will probably stop assessing women completely in order to maintain this 65,000 endstrength.

Isn't there some way these accessions can be managed monthly to avoid press accounts about how the Army has stopped enlisting women that we're sure to see later in the year?

Answer. The Army has not stopped recruitment of women. Both male and female accessions are programed according to a seasonal flow throughout the 12 months of the recruiting year. However, if fiscal year 1982 retention rates are higher than programed, as they were in fiscal year 1981, the Army will curtail enlistments for fiscal year 1982. The Army will continue to access female soldiers from the Delayed Entry Program (DEP) throughout the 12 months of fiscal year 1982, and contract for entry into the DEP for fiscal year 1983.

ENLISTED CAREER FORCE

Senator EXON. General Tice, on page 17 you state that "all the services have had and will continue to have substantial shortfalls in mid-career level people. Experience—level shortfalls can only be solved through consistent reenlistment success over a number of years."

(a) How do we reconcile this statement with reports that current reenlistment rates in the services are so high that even in the Army some people are not going to be allowed to continue unless they switch to skills in which there is a greater need?

(b) Please provide for the record the ratio of 1st term personnel to career personnel in each of the services from fiscal year 1978—fiscal year 1983.

Answer. While current reenlistment rates are among the highest ever experienced, this increased overall retention does not in the short run solve problems such as individual skill shortages. Skill shortages and imbalances exist within the total number of careerists. As an example, some skills in the Army are overstrength in noncommissioned officers while others, particularly in the combat arms, are short. One of the goals of the Army's Force Alignment Plan is to improve skill match. Monetary and nonmonetary tools of personnel management are being used to address this problem. Among these tools is a change in the Army's reenlistment policy to allow reenlistment only in present skill or in a shortage skill. If the increased retention we are now experiencing proves to be permanent or sustainable we will stand a very good chance of eliminating NCO and Petty Officer shortages and imbalances in the long term. We must insure that we are using the monetary and non-monetary levers of the personnel management system to accomplish this.

ENLISTED CAREER FORCE

[Percent over 4 yr of service]

	Army	Navy	Marine Corps	Air Force
Fiscal year:				
1978	38.2	41.2	25.5	53.4
1979	39.3	42.2	26.8	52.9
1980	39.7	42.1	27.9	51.9
1981	42.0	43.3	28.7	51.5
1982	43.5	44.1	28.8	51.3
1983	43.8	44.8	29.5	51.3

JOINT ADVERTISING

Senator EXON. On page 13 of your statement you remark that DOD has doubled the size of Joint Service advertising for enlisted recruiting programs by adjusting the overall Services advertising budget. Will you provide for fiscal year 1981, fiscal year 1982 and fiscal year 1983, the size of the Joint Service advertising budget, the size of the advertising budget in each of the Services for those years, and an estimate of what the Services budgets would have been had they not yet been adjusted to fund the Joint Service account?

Answer. The requested information follows.

ACTIVE FORCE ADVERTISING COSTS[1]

[By fiscal years, in millions of dollars]

Service	1981 actual	1982 program	1982 joint adjusted	1982 program (current)	1983 service request	1983 joint adjusted	1983 budget request
Army	59.0	74.5	67.8	67.6	80.1	73.4	69.1
Navy	18.9	23.3	20.9	[2] 16.2	27.4	24.8	22.3
Marine Corps	13.5	14.9	13.2	[2] 12.2	17.2	15.4	[3] 16.2
Air Force[4]	15.1	16.1	14.5	14.5	17.0	15.3	15.3
Joint advertising	11.6	8.3	16.5	16.4	9.7	17.9	[5] 18.9
DOD total	118.2	137.1	132.9	126.9	151.5	146.8	141.8

[1] Numbers may not add due to rounding.

[2] The fiscal year 1982 program reflects a congressionally directed reduction (i.e., in the fiscal year 1982 DOD appropriations bill) of $4,700,000 for the Navy and $1,000,000 for the Marine Corps.

[3] The fiscal year 1983 budget request reflects an increase made in a reallocation of Marine Corps O. & M. resources.

[4] Beginning in fiscal year 1981 the Air Force advertising costs reflect adjustments made to be consistent with cost category definitions developed for use in managing the recruiting and advertising ceilings.

[5] The fiscal year 1983 joint advertising request includes $1,000,000 targeted for a fiscal year 1983 advertising mix test.

RECRUITING COSTS

Senator EXON. Please provide the recruiting cost per procured recruit by service for fiscal year 1981—fiscal year 1983. Also, factoring in attrition rates, what is the recruiting cost per recruit who finishes his first term enlistment, by service?

Answer. Following table shows the cost per procured recruit by service for fiscal year 1981—fiscal year 1983:

RECRUITING AND ADVERTISING COST PER ACCESSION

[By fiscal years]

Service	1981	1982	1983
Army	$2,800	$3,800	$3,700
Navy	1,500	1,800	1,800
Marine Corps	1,900	2,200	2,500
Air Force	1,100	1,400	1,300
DOD total	2,100	2,700	2,700

Adjusting for attrition, the estimated cost per fiscal year 1981 recruit who finishes his first term enlistment by Service is as follows:

Fiscal year 1981 recruiting and advertising cost per recruit completing his first term of service

Service:	*Amount*
Army	$4,000
Navy	2,000
Marine Corps	2,600
Air Force	1,500
DOD totals	2,900

ATTRITION

Senator EXON. Please provide attrition rates by service for fiscal year 1978—fiscal year 1983.

Answer. The Service attrition rates for fiscal year 1978 and estimates for fiscal year 1979—fiscal year 1983 follow:

ATTRITION

[By fiscal years, percent of active duty NPS male enlistees]

Service	1978	1979	1980	1981	1982	1983
Army	29	33	36	31	33	39
Navy	25	26	24	25	25	25
Marine Corps	29	27	28	27	27	27
Air Force	28	28	28	27	28	28

Note: The fiscal years 1979–83 projections are from the fiscal years 1933–87 POM and based on the services expectations of the high school/nonhigh school graduate accession mix about a year ago (when the fiscal year 1983 POM was submitted). If that mix changes, the actual attrition rates may differ from these estimates.

MILITARY PAY RAISE FOR 1982

Senator Exon. General Tice, the fiscal year 1983 budget submitted by President Reagan includes a very large deficit which many predict will be even larger.

There are a number of proposals being discussed to reduce this deficit, some of which include drastic actions such as freezes on cost-of-living adjustments for Federal retirement programs and other entitlements and reduced pay raises for Federal employees.

In the private sector, some unions have voluntarily given up wage increases that they had previously won through collective bargaining.

No one wants to see a repeat of the situation of the late 1970s when military pay raises lagged so far behind privtate sector pay raises. On the other hand, exempting the military from any government-wide cap on pay raises and cost-of-living allowances could very well cause a backlash against the military.

In light of this country's current economic situation, what do you think would be the effect of a cap on military pay in fiscal year 1983 below the 8 percent proposed by the administration?

General Tice. While exact estimates of the impact of a freeze or significant cap on military pay are scenario-dependent, it is safe to say that such a pay action would undo most, if not all, of the recruiting and retention achievements of the past two years. The accession and retention problems we experienced during the mid- to late-1970's were created in large part by the caps that were placed on military pay raises. This deteriorating situation was turned around with the pay improvements in 1980 and 1981, such that we have regained a competitive position for military manpower. I believe imposing a cap on the October, 1982 pay raise would signal to the troops that we are entering once again a period of severe restraint on military pay and, in so doing, we run the risk of re-creating the accession/retention problems that we and the Congress worked so hard in 1980 and 1981 to correct. Initial analysis indicates we could expect 100,000 fewer careerists (DOD total) by the end of the FYDP assuming that the fiscal year 1983 pay raise is frozen at the fiscal year 1982 level and that the comparability raise is 8 percent. A cap at 5 percent would result in 50,000 fewer careerists over the same period. This assumes no "catch-up" raises in subsequent years of the FYDP to restore comparability. This assumes a pay freeze or cap in fiscal year 1983 alone, with comparability increases in the remaining years of the FYDP.

Additionally, these losses are likely to occur disproportionately in those military occupations in which there is a high degree of transferability to the private sector. In many cases the military is already critically short of careerist personnel in these occupations.

Recruiting programs would be affected by the decrease in careerists. If total strengths remain unchanged, a 5-year total of over 300,000 additional recruits (over the FYDP) would be required if pay is frozen; 80,000 if pay is capped at 5 percent. This would compound recruiting problems that already exist. For example, in fiscal year 1983, we will witness more restrictive Congressional constraints on quality, there will be a continued decline in the youth market, and DOD has already programed significant increases in accession requirements over fiscal year 1982. In addition, caps on military pay will decrease the supply of male high school diploma mental category I–III recruits.

We believe the 8 percent military pay increase we have requested for fiscal year 1983 will provide a clear indication of the commitment of Congress and the Administration to military personnel, reversing the atmosphere engendered in the latter part of the 1970's. We believe that the benefits to the nation in improved retention, recruiting, morale, motivation, and readiness of our military personnel will outweigh the costs and will be the most efficient means of obtaining these benefits.

GI BILL

Senator Exon. Will the Department of Defense be submitting a proposal for a new GI bill this year?

Answer. The Department's proposal for a military educational assistance program is:

Continue the current Veterans' Educational Assistance Program, VEAP, together with the Secretary of Defense supplemental "kickers," through fiscal year 1983;

Option to propose an alternative program to VEAP should it be necessary to improve force manning capabilities in the future;

Extend the 1989 delimiting date for the GI bill; and

Continue the current educational incentive program for members of the Selected Reserve.

EDUCATIONAL INCENTIVE PROGRAM

Senator Exon. In light of the recent substantial increases in military pay and benefits, which have apparently had a strong effect on recruiting and retention, how can you justify the need for a new GI bill at this time?

Can you really design a GI bill that won't encourage people to leave service to use their benefits?

What is the annual cost of the GI bill proposals you are looking at in the Department of Defense?

Answer. In light of the recent recruiting and retention successes of the Services, and a federal budget constrained by the large increases in defense and the tax cuts needed to spur the economy, the Department is not proposing a noncontributory, across-the-board educational benefit for its members.

The Department does believe that if an educational benefit is too large, it will encourage a member to leave the Service to take advantage of the benefit. Retention incentives would be necessary to offset this problem.

RECRUITING

Senator Exon. Will the Army be able to meet the 65 percent high school graduate requirement in law this year without reducing the number of people it plans to bring in?

Answer. The Army will achieve its recruiting requirements under the fiscal year 1982 congressional constraints.

MILITARY RETIREMENT

Senator Exon. General Tice, your statement does not discuss changes to military retirement but I am already getting mail from my constituents on this subject. The fiscal year 1983 budget assumes $93 million in savings from changes to the military retirement system. What exactly are the changes being proposed? When will the Department formally propose these changes?

Answer. The proposed changes in the military retirement system are as follows:

The one-year look-back for the computation of initial amounts of retired and retainer pay set out at 10 U.S.C. 1401a(e) would be repealed; and retired pay rounded down.

The percentage adjustments in military retired and retainer pay provided at 10 U.S.C. 1401a(b) would be amended. Retired and retainer pay would be adjusted annually by the percentage increase in the Consumer Price Index; however, if that percentage exceeded the overall average percentage increase in rates of basic pay, the overall average percentage would be used in the adjustment of military retired and retainer pay.

A new subsection is proposed for addition to 10 USC 1401a that would limit retired and retainer pay adjustments under certain situations. If a member's retired pay was 120 percent or more than that to which the member would be entitled to receive if computed on the most current basic pay rates, then no adjustment would be made. If a member's retired pay was between 100 and 119 percent of the pay to which the member would be entitled if computed on the most current active duty basic pay rates, then the member would receive 75 percent of the authorized adjustment. The increased amount could not exceed the 120 percent level. If military retired pay were less than 100 percent of the amount to which otherwise entitled if computed on the most current basic pay scales, then the member would receive the full percentage adjustment. However, if the adjusted amount exceeded the 100 percent level, only 75 percent of the amount above the 100 percent level would be paid.

On behalf of the administration, the Department has prepared draft legislation to accomplish these amendments. They are now being reviewed within the Executive Departments to ensure they are in accord with the President's program. We expect they will be submitted formally for consideration in the very near future, after they have been cleared.

MILITARY RETIREMENT

Senator EXON. General Tice, the changes to military retired pay proposed in the fiscal year 1983 budget are really only minor adjustments. There is a growing concern in Congress that the current military retirement system is becoming too expensive and encourages service people to leave the service at 20 years.

Two facts will illustrate this point:

The $16.5 billion estimate for military retired pay in fiscal year 1983 is as much as we spent on all Research and Development in the Defense Department during last fiscal year.

The most common age at retirement from active duty is 43 for officers and 39 for enlistees.

Is there any serious attempt being made in the Defense Department to come up with revisions to the current military retirement system to bring down costs and encourage career service-people to stay in service beyond the 20- or 21-year point?

Answer. The military retirement system is not an old-age pension system as is normally found in other organizations. It is not only a part of our compensation structure, but is also an important element of our force management and promotion systems. It has significant impact on our readiness, mobilization contingency, retention, and accession requirements. Since the retirement system is an integral part of our defense capability, it has been identified as a subject for study and analysis by the Fifth Quadrennial Review of Military Compensation. We expect that the current structure would be assessed in terms of complementing readiness and meeting the needs of the men and women in uniform. Should improvements be identified, recommendations for change would be submitted as required by 37 U.S.C. 1008(b).

SHORTAGE IN THE IRR

Senator EXON. General Tice, the Defense Department recently submitted a report on ways to eliminate the shortage of pretrained manpower in the Individual Ready Reserve (IRR) by fiscal year 1984.

The conclusion I draw from this study is that the only way to eliminate the current shortage of manpower in the IRR by 1984 is by a direct draft into the IRR. Is that a correct conclusion from your report?

General TICE. No. The conclusion that should be drawn from the report is that it is not feasible to eliminate the current shortage of pretrained manpower by fiscal year 1984 even with the use of a draft into the IRR. A draft to obtain the shortages needed by fiscal year 1984 would require reestablishing local boards of the Selective Service System, expansion of training bases and opening of new ones. Also, new construction of facilities would be needed that is not budgeted currently. In addition to these huge expenditures is the issue of whether the American people would support a draft at this time. For these reasons, the Department of Defense does not favor a draft for the IRR.

Senator EXON. The Defense Department does not favor an IRR draft, but prefers to solve the IRR shortage by means of bonuses and an extension of the current 6-year military service obligation to 8 years.

But these measures won't solve the shortage until at least 1990, according to the report.

Can we really afford to wait this long to solve this critical deficiency on our mobilization capability?

General TICE. It is desirable to have the shortages eliminated as soon as possible, however, it should be recognized that these shortages occurred over a long period of time that began with the active force strength reduction following the Vietnam conflict. The decline in IRR strength was reversed from its low point in 1978 through a series of low cost and no cost policy changes and legislation which have resulted in a 75,000 increase since that time. To rebuild the strength still further will require more time and is not simply a matter of affordability. The primary solution being proposed to eliminate the shortages is that of extending the military service obligation from six to up to eight years. This solution does not produce any strength gains for the six years but it yields tremendous gains between the sixth and eighth years. In the meantime the use of incentive bonuses possesses great potential for increasing significantly IRR strength during the near term. It is the preference of the Department of Defense to solve the pretrained manpower problem without the use of a draft.

TUITION CHARGES FOR MILITARY DEPENDENTS

Senator EXON. General Tice, your statement points out that after losing substantial amounts of Federal impact aid some local school boards may levy tuition charges against military dependents or redraw school district boundaries to eliminate military dependents.

The Secretary of Defense continues to guarantee that no military personnel will have to pay tuition fees to send their children to public schools. Does the Secretary now have authority to pay tuition fees for military dependents? Do you intend to seek such authority.

Answer. The Secretary of Defense does not have the authority to make tuition payments, nor do we intend to seek such authority.

Senator EXON. Does the Defense Department intend to seek authority and funds to reimburse local school districts for the costs of educating military dependents in public schools? Are there funds in the fiscal year 1983 budget to do this?

Answer. The Department of Defense has no plans at present to seek authority or funds to reimburse local school districts. The fiscal year 1983 President's Budget places responsibility for the impact aid program in the Department of Treasury.

INCREASED REENLISTMENTS

Senator EXON. If the increased number of high school graduates being recruited means lower attrition, it should also mean more individuals being eligible for re-enlistment at the end of their first term. What is your projection of the additional number who will be eligible to re-enlist at the end of their first term? What savings will this represent in terms of not having to recruit new individuals to replace these individuals? What impact do you see in terms of the quality of the junior NCO force?

Answer. We project approximately 4,000 additional personnel from the fiscal year 1981 cohort will be available to reenlist and enter the career force as a result of lower predicted attrition for this cohort. Reenlistment eligibility is also governed by performance and conduct during service. The rate at which individuals who survive through the first three years of Service will be judged by their Commanders not to be of sufficient quality to be allowed to reenlist and continue into the career force is not predictable. One career force entrant removes the need for approximately 1.3 new accessions. This rule-of-thumb is more meaningful when requirements for personnel are constant. When requirements for personnel are increasing, the need for both career force entrants and accessions will increase. However, the level of accessions will be lower than it would have been had not an additional person reenlisted and entered the career force. "Quality" of the junior NCO force is definable in many different ways, none of which are as accepted as the measures of quality in new accessions: possession of a high school degree and a high test score. My assessment is that when the high quality personnel we are recruiting today flow into the career force, the quality of our junior NCO force will increase on any relevant scale.

SKILLED ENLISTED RESERVE MILITARY TRAINING ACT

Senator Exon. A bill was introduced in the House of Representatives recently by Congressman Bailey to set up a Skilled Enlisted Reserve similar to Reserve Officers Training Corps. Under this bill, the Secretary of Defense could give scholarships to individuals in critical skills at vocational and technical schools who would agree to a military service obligation. At the end of their training, individuals would then enter the military at grade E-2 or E-3 rather than starting at the lowest grade of E-1. What is the Department's position on this proposal?

Answer. The Department has just received this bill for comment and has not had the opportunity to analyze the potential benefits and costs of the proposed program. This analysis will be undertaken without delay, and the results will be reported to the Congress. As a general comment, the Department wants accessions who are both intelligent and skilled, and is therefore interested in proposals for cost-effective programs that will lead to the entry of such persons into the Military Services.

[Whereupon, at 4:10 p.m. the subcommittee adjourned, to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1983

THURSDAY, MARCH 4, 1982

U.S. SENATE,
SUBCOMMITTEE ON MANPOWER AND PERSONNEL,
ARMED SERVICES COMMITTEE,
Washington, D.C.

NAVY/MARINE CORPS MANPOWER REQUEST (ACTIVE, RESERVE, AND CIVILIAN)

The subcommittee met in open session at 9:30 a.m., in room 224, Russell Senate Office Building, Senator Roger W. Jepsen (chairman) presiding.

Present: Senators Jepsen and Cohen.

Staff present: Anthony J. Principi, counsel; Richard D. Finn and David S. Lyles, professional staff members; Ralph O. White, research assistant; and Jacquie S. O'Grady, staff assistant.

Also present: Jim Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Paul Schreiber, assistant to Senator Denton; Gray Armistead, assistant to Senator Byrd; and Greg Pallas, assistant to Senator Exon.

OPENING STATEMENT BY SENATOR ROGER W. JEPSEN, CHAIRMAN

Senator **JEPSEN**. The subcommittee will come to order.

The Manpower and Personnel Subcommittee meets today to continue its series of hearings on the Defense Department manpower request for fiscal year 1983.

This morning we are pleased to receive testimony on Navy and Marine Corps manpower programs and initiatives from the Honorable John Herrington, Assistant Secretary of the Navy for Manpower and Reserve Affairs; Vice Adm. Lando Zech, Deputy Chief of Naval Operations for Manpower, Personnel and Training; Lt. Gen. Edward J. Bronars, U.S. Marine Corps, Deputy Chief of Staff for Manpower; Rear Adm. Frederick F. Palmer, Director of Naval Reserve and Maj. Gen. George Crist, Deputy Chief of Staff for Reserve Affairs, U.S. Marine Corps.

This past year we have seen a tremendous improvement in our military manpower situation. Not only are recruiting and retention statistics encouraging, but equally important, significant strides have been made to correct skill imbalances, curb drug abuse, rectify military and civilian pay differentials, integrate the Reserves more fully into our total force and improve the readiness of our forces.

All of these factors have contributed to higher morale and a more positive attitude on the part of the men and women in uniform, both active and reserve.

I think we must be careful not to deceive ourselves into thinking that the upward trend will continue unabated through the decade of the 1980's.

I am convinced that the attainment and substainability of a fully manned and highly effective Armed Force, particularly a 600-ship Navy, is one of the greatest challenges we will face in the latter half of this decade.

In the years ahead we shall confront intense budgetary pressures, force expansion commitments and a shrinking pool of male youth and a highly-skilled personnel shortage.

It is therefore incumbent upon the Navy and the Marine Corps manpower leaders to chart a carefully planned program which will identify and address future military manpower problems. Last year's Senate Report on the fiscal year 1982 DOD authorization request spoke of the need for such a commitment.

I wish to reiterate it to you this morning that the committee places high importance on this type of planning.

Gentlemen, once again let me welcome you to the committee. We appreciate the thorough statements which you have submitted to the committee. Your entire statements will be made a permanent part of the record.

I should point out that the full Armed Services Committee will meet in session at 11 this morning, so we should be able to complete this hearing by 10:45 and, if not, all remaining questions will be submitted for the record.

I understand, Admiral Palmer and General Crist, that you are expected to testify in the House at about 10:15. So you can handle that accordingly.

Mr. Secretary, you may proceed as you wish.

STATEMENT OF HON. JOHN HERRINGTON, ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND RESERVE AFFAIRS)

Mr. HERRINGTON. Thank you, Mr. Chairman.

As you mentioned, I do have a formal statement and I appreciate you submitting it for the record.

I do have some brief remarks.

On my right I have Lt. Gen. Edward J. Bronars, Deputy Chief of Staff for Manpower, U.S. Marine Corps.

On my left I have Vice Adm. Lando W. Zech, Jr., Chief of Naval Personnel.

We also have with us this morning, Maj. Gen. George B. Crist, USMC, and we have, as you mentioned, Rear Adm. Fred Palmer, USN, both from the Reserve community of the Marine Corps and the Navy.

MANPOWER AND PERSONNEL

We are here this morning to testify to one of the greatest success stories that can be told anywhere in the U.S. Government today, civilian or military. That success story is the manpower and personnel of the U.S. Navy, still the finest Navy in the world, and the U.S. Marine Corps, still the finest fighting force the world has ever seen.

The Navy has recruited this last year 106,322 people, substantially exceeding its goal, and for 26 straight months the Navy has made over 100 percent of its quota. The number of high school graduates has risen dramatically and the quality and intelligence is up.

The U.S. Marine Corps has exceeded its goals for both fiscal years 1980 and 1981 while high school graduates remain above 80 percent of the recruits. We have enlisted more Marines this year than in any peacetime year in history.

In regard to officers, we have brought in a larger number of Naval and Marine officer accessions than in any year since the All-Volunteer Force began. The best news of all is that since last September we have had more than a thousand prior service re-enlistments into the U.S. Navy, and 77 percent of those are the petty officers we need to man the 600-ship Navy.

PAY INCENTIVE

Why has this success happened, and what is the reason behind it? We are here this morning to testify to the fact that the strongest motivating force behind our success story is the support of the Congress and particularly the members of this committee and their staffs. You have given us the pay incentives and specific tools to fight our manpower problems.

We are planning an expansion of the Navy and Marine Corps to achieve a 15-battle group force by 1990. This is going to require an increase in the two services of over 70,000 officers and men. This does not mean simply recruiting and training 70,000 more people. This means a series of carefully integrated and sustained manpower actions for the next 8 years to significantly expand the trained experienced career force.

I would like to address briefly a few of these incentives that you have given us. I would like to show you the results of how we have applied these tools in a successful manner demonstrating that your confidence in us and faith in us has been well placed.

The first one I would like to mention is sea pay. Currently we have had a 58-percent increase in requests for extensions of sea duty. We also have had a 33-percent increase in the requests to go to sea. Last year we only had 2,800 naval personnel who made this request. This has been a dramatic increase.

Next, nuclear officer incentive pay. We reduced resignations last year by 23 percent. We are now able to tell a nuclear officer that he can expect to spend 14 years of his first 20 at sea instead of the 15 we had to tell him last year. Our goal is to get that down to 11 years, and we feel confident that we can make that goal.

The third incentive you have given us is aviation officer continuation pay. Last year we were able to retain 489 pilots and 125 naval flight officers more than we expected and programed. The cost of this program was $33.9 million in fiscal year 1981, and $55.6 million in fiscal year 1982.

Because it takes $750,000 to train a naval aviator and because it takes $550,000 to train a naval flight officer, the taxpayer has experienced substantial savings in the training costs that we have avoided because we did not have to replace these people. A conservative estimate of that savings is $450 million in the last 12 months.

I would like to mention last the selective reenlistment bonus. This program allows us to target money where we need to in the skill shortages, 2 years ago we had dropped to 44 percent retention in our career and enlisted force. This was the lowest point in our history. For the last 12 months we have raised our retention rates to 65 percent and above. It costs $100,000 to train a skilled rating today. It costs between $300,000 and $400,000 to train and develop a petty officer with 8 to 10 years experience. On top of that we have to put in six individuals to grow one with 8 years experience. During fiscal year 1982 the selective reenlistment bonus program cost $233 million, a substantial savings in training costs that we would have had to spend to replace those people.

These have been only a few of the outstanding tools you have given us that I wanted to highlight before we get into the questions. There are others discussed in our statements. Before I close today, I would like to remark on two other subjects.

DRUG PROBLEM

The first one is drugs. There is now underway one of the most concerted efforts between the Navy and Marine Corps to address our drug problem that has ever taken place in the Armed Forces of this country. Last December every flag officer and every general officer in the U.S. Navy and the U.S. Marine Corps on the west coast met in San Diego for a full day to discuss the drug problem, what it is doing to us, and what we are going to do about it, 3 days later the same group from the east coast met in Norfolk, Va., for a full day's seminar. That program was later repeated in Washington, D.C. for the remaining flag officers of those meetings and the concerted efforts of the Chief of Naval Operations and the Commandant of the Marine Corps, we have embarked upon the most ambitious drug prevention, detection, and rehabilitation program in the Department of Defense. It started February 1 and I believe that we are sitting on top of the biggest piece of good news in the Pentagon. I think in the coming months you will come to be more aware of the success we have had in this program.

RESERVES

Last, I would like to discuss the Reserves before I close. A strong Reserve is the most important manpower area that we must focus on today. With this budget the Naval Air Reserve begins a new chapter of integration with the active units. The practice of putting older aircraft into the Reserve units as we phase in newer aircraft should end and must end. Reserve squadrons will be established for all of our front-line fleet aircraft beginning with the first active F-18 squadron in 1984. There will also be an A-6E squadron. We are starting the first LAMPS-1 squadron in 1984 and our goal is to have two of these squadrons. Finally, we are now actively engaged in lease-purchase negotiations for four C-9 aircraft to provide an organic airlift for the Reserves. The total number of C-9's for the Reserves is planned to be between 12 and 15.

In surface warfare we have stressed the expansion and modernization of equipment. We have introduced 1,052 *Knox* class frigates and even newer FFG–7 *Perry* class frigates into the Reserve at Newport and at Long Beach. The Navy Reserve program plans at least 24 frigates as well as an updated modern mine warfare and support craft program with more meaningful operations.

In the Marine Corps, the Reserves are 25 percent of the available Marine manpower and 25 percent of the Marine structure. At the end of 1981 the Marine Selective Reserves numbered 37,049 which is 10 percent over goal. The first term in career retention was up 5 percent among the Reserves, and 79 percent are high school graduates. Fifteen thousand Reservists participated in field exercises and 215 units conducted week-away training. In the field of readiness 1,600 members of the IRR trained for mobilization assignments. To meet our wartime requirements there will be a three-fold expansion in numbers of individuals preassigned to critical billets. There will be a 31-percent increase in mobility training. There is going to be a strong effort made to upgrade the Reserve management system in the Marine Corps. We need an automated system capable of administering, training, mobilizing, and discharging individual Reservists.

I have visited and talked with Navy and Marine Corps units on the cutting edge of our readiness. I am impressed by the dedication and professionalism of the people in both of these services. They know their jobs are important and they take pride in what they are doing. We as a Nation count on them and they will not let us down.

I don't mean to say that our problems are over because problems exist and I will discuss some of these problems with you today. However, let me emphasize that we possess an effective naval fighting force on which to base the growth that we envision and which is necessary to the survival of our Nation.

WEAPONRY AND HARDWARE

Finally, during our deliberations today I would like us to remember this one thing. Weaponry and hardware alone do not mean security. It is the spirit of the men and women who follow, and the men and women who lead that gain the victory. We have made a wonderful start in our manpower and personnel areas. We have tremendous momentum and we have tremendous morale. We want to keep that, and everything we talk about today should be geared toward that goal.

Thank you, Mr. Chairman.

[The prepared statement of the Hon. John S. Herrington follows:]

PREPARED STATEMENT OF HON. JOHN S. HERRINGTON, ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND RESERVE AFFAIRS)

Mr. Chairman, Members of the Subcommittee, I am honored to appear before the subcommittee for the first time as Assistant Secretary of the Navy for Manpower and Reserve Affairs. My statement today will focus on manpower and personel aspects of our vital effort to restore the naval strength of the United States. To do this, we are planning expansion of the Navy and Marine Corps to achieve a 15 battlegroup force by 1990. This will require an increase in the two services of over 70,000 officers and men. This does not mean simply recruiting and training 70,000 more people. It means a series of carefully integrated and sustained manpower actions for the next eight years, to significantly expand the trained and experienced career force.

The men and women of the Navy and Marine Corps are the foundation upon which we must build. Although the problems of today's servicemembers are not identical to those of the past, the similarities are striking. As members of a seagoing, forward deployed service, they still face long working hours under the toughest conditions. Extended periods away from home, uncertain schedules, and long periods at sea are still the order of the day. The requirement for individual sailors and marines to sacrifice personal considerations for the good of their units and shipmates is as pervasive now as it has been. While we are not presently engaged in active combat anywhere in the world, the realization that the men and women of the services must be ready to carry out their missions on a moment's notice is a sobering charge to those who must make readiness their primary consideration.

I have visited and talked with Navy and Marine Corps units on the cutting edge of our readiness. I am impressed by the dedication and professionalism of the people in both of our services. They know their jobs are important and take pride in what they are doing. We as a nation count on them and they will not let us down. I don't mean to say our problems are over, because problems exists; and I will discuss some of these problems today. But let me emphasize that we possess a loyal and effective naval fighting force on which to base the growth we envision and which is so necessary to the survival of our nation.

NAVY AND MARINE CORPS MANPOWER AND PERSONNEL

The Navy and Marine Corps have made significant improvements in their manpower posture this past year. Much of this improvement is directly attributable to the outstanding efforts of the Congress during the last two years when much needed compensation improvements were enacted. We are now starting to see positive trends in our personnel manning brought about by these forward-looking Congressional actions.

The fiscal year 1983 budget submission for the Navy contains an authorized end strength of 581,028 personnel. This represents an active duty end strength increase of 2,900 officers and 25,128 enlisted personnel over Navy's fiscal year 1982 strength. The bulk of the requested strength increase is targeted for the new ships and squadrons in the near term and planned over the next decade. Not only will this increase allow the manning of these ships, but it will also provide the groundwork for future growth and increase manning levels on existing ships.

Marine Corps manpower programs call for an end strength of 194,600 by the end of fiscal year 1983 and represent a 2,500 personnel increase over the fiscal year 1982 level. This additional manpower is needed to strengthen air defense and combat service support capabilities in aviation and ground elements and to achieve higher manning levels throughout the active force structure. Quality personnel, in sufficient numbers, are the key to success in maintaining the readiness and combat capabilities of Marine operating forces.

Enlisted Recruiting.—In fiscal year 1981, the Navy exceeded its total enlisted accession goal, recruiting 106,322 personnel. This increase of 6,971 in the number of total enlisted accessions over fiscal year 1980 includes a 6 percent increase in the number of non-prior service (NPS) males recruited. In addition, the overall quality of recruits in terms of upper AFQT categories and high school diploma graduates also improved. A comparison of recruiting results for the past 3 years is provided below:

NAVY ENLISTED RECRUITING PERFORMANCE

	Goal	Attainment	Percentage
Fiscal year 1979	93,390	88,345	94.6
Fiscal year 1980	99,299	99,351	100.1
Fiscal year 1981	106,233	106,322	100.1

The Marine Corps also met its recruiting goal for fiscal year 1981 and exceeded its high school graduate target of 75 percent. Marine Corps nonprior service recruiting in fiscal year 1981 achieved 81 percent high school graduates with over 33 percent in AFQT categories I and II and only 12.8 percent in category IV. In addition, recruiting of prior service Marines has become a considerably more active program.

MARINE CORPS ENLISTED RECRUITING PERFORMANCE

	Goal	Attainment	Percentage
Fiscal year 1979	42, 889	41, 804	97. 5
Fiscal year 1980	43, 684	44, 281	101. 4
Fiscal year 1981	42, 584	43, 997	103. 3

During fiscal year 1981, the Navy and Marine Corps particularly emphasized the recruiting of people with prior military service and achieved spectacular results. Navy recruiters accessed a total of 12,314 prior service veterans. This represented a 26.8 percent increase over fiscal year 1980. Of this total, 9,054 prior service accessions were Navy veterans, of whom 77.2 percent were petty officers available for immediate fleet utilization. In fiscal year 1981, 3,071 individuals with prior military experience, or 871 above the budgeted number of 2,200, were also accessed into the Marine Corps to help fill the mid-career shortage in noncommissioned officers.

Officer Recruiting.—Navy officer recruiting efforts in fiscal year 1981 resulted in a larger number of officer accessions than in any previous year since the commencement of the All Volunteer Force. Continued emphasis on officer recruiters, better recruiting management, and a lagging economy were all factors in the Navy achieving 100 percent (4,767) of its fiscal year 1981 officer goal (4,764). The following table profiles major officer program attainment for fiscal year 1979–81:

MAJOR OFFICER PROGRAM ATTAINMENT/GOAL STATUS

[By fiscal years, in percent]

	1979	1980	1981
Attainment/goal status	(3, 266/3, 794)	(3, 789/4, 233)	(4, 767/4, 764)
Total	86	90	100
Nuclear propulsion officer candidate	46	44	49
Nuclear power instructor	29	31	57
Aviation officer candidate	102	97	104
Naval flight officer candidate	97	102	105
Surface warfare officer	100	91	103
Supply officer	102	90	104
General unrestricted line (1105)	93	105	102
Civil engineer corps officer	32	79	95
Physicians	70	77	141
Nurses	100	100	100

The Marine Corps continues to meet its annual officer procurement requirements and the fiscal year 1983 plan calls for an increase of 348 accessions above the fiscal year 1982 level. The Marines should accomplish this goal with little difficulty.

Enlisted Retention.—The key to the future success of the Navy and Marine Corps is retention. We have turned the corner in retaining our skilled personnel, and this successful start must be sustained throughout this decade.

In the Navy, expanded leadership training, increased professionalism, and heightened awareness of the needs and quality of life of our sailors and their families are key factors to our retention focus. The Navy is employing a systematic program of management initiatives to promote the welfare of our personnel from recruitment through retirement. This approach will allow us to partially offset the demand created by the declining pool of manpower available in the next several years by increasing the career attractiveness of the enlisted force.

Fiscal year 1981 retention rates for those completing their first term reached the highest level since the advent of the All Volunteer Force. Second term reenlistment was at a 6-year high, and third term and beyond rates were higher than those of recent years. These increases can be attributed to fiscal year 1981 compensation improvements, increased personnel management attention, and the economy.

The accompanying table displays fiscal year 1978 through fiscal year 1981 Navy retention statistics for all terms.

[By fiscal years, in percent]

	1978	1979	1980	1981	1982, end 1st quarter	1982–87 requirement
1st term	40.3	37.5	36.7	41.7	52.8	47
2nd term	47.3	45.3	56.5	56.9	69.0	67
3d term and beyond	92.0	91.4	91.6	94.1	95.9	98

In the Marine Corps, improved compensation measures, especially an expanded reenlistment bonus program, combined with aggressive career planning efforts produced 16,129 reenlistments in fiscal year 1981, 2,129 above original goal as reflected in the following chart.

[By fiscal years, in percent]

	1978	1979	1980	1981	1982, end 1st quarter
1st term, 1 to 5	11.2	9.0	11.1	13.3	18.1
Intermediate, 6 to 10	(1)	(1)	(1)	60.7	67.3
Career 10 plus	47.2	40.3	41.7	70.6	71.4
Total	19.1	18.8	20.8	25.4	31.0

[1] Prior to fiscal year 1980, records were kept only for 1st term and career reenlistments. All post 1st term enlistments were considered career.

Officer Retention.—Navy officer retention approached desired levels in the pilot and surface warfare specialties, remained healthy in the naval flight officer specialty, but was below the desired levels in the submarine and surface nuclear warfare specialties.

UNRESTRICTED LINE OFFICER RETENTION

[By fiscal year, in percent]

	1978	1979	1980	1981	1982 projection	Required
Surface warfare	38	31	39	42	47	60
Surface nuclear power	41	50	42	33	22	60
Pilot	46	31	30	42	45	60
Nuclear submarine	38	42	36	33	37	60
Naval flight officer	54	60	71	65	68	60

Most encouraging was the improvement in pilot retention. In fiscal year 1981, pilot retention rose to 42 percent with the upward trend attributable to increased compensation, particularly Aviation Officer Continuation Pay. With the improved retention, the pilot inventory shortage declined to 2,697 officers (grades O–1 to O–5), a 9 percent improvement in inventory over fiscal year 1980.

Aviation Officer Manning.—The effectiveness of Aviation Officer Continuation Pay is dramatically illustrated by both the increase in pilot retention (mentioned above) and the increase in pilot inventory. Without AOCP, the pilot inventory for fiscal year 1981 was projected to be 6,523. The actual inventory was 7,012, a net gain of 489 pilots, with an additional increase forecast for fiscal year 1982. Commensurate gains have occurred in the naval flight officer community.

Nuclear Submarine Officer Manning.—With high civilian salaries to attract nuclear trained officers, this community has suffered from chronic shortages, resulting in long and repeated tours at sea. The combination of Officer Sea Pay, increased Sub Pay and increased Nuclear Bonus rates have reduced resignations by 23 percent, attracted former nuclear submariners to return to active duty and reduced the amount of time an officer can expect to spend at sea from 15 to 14 of his first 20 years.

Marine Corps Officers.—USMC officer retention continued in a favorable trend during fiscal year 1981, but one area of continuing concern to the Marine Corps is the Naval Aviator shortage. As a result of your support for the Aviation Officer

Continuation Pay, we were able to reduce that shortage of 581 pilots and 124 Naval Flight Officers at the beginning of fiscal year 1981 to 243 pilots and 99 Naval Flight Officers at the present time. However, it appears that even if improved pilot retention rates continue and planned pilot training rates are met, we may not satisfy our inventory requirements for aviators until the late 1980's. Therefore, your support for the extension of AOCP through fiscal year 1983 is requested.

Attrition.—Navy's management efforts to reduce first term attrition has resulted in a steady decline in those rates. The improving quality of leadership and increasing emphasis on professional military performance in recruit training center, other training commands, operational units, and shore stations has directly contributed to the decline. The attrition increase experienced in fiscal year 1981 compared to fiscal year 1980 can be attributed for the most part to "Project Upgrade," a management discharge marginal performers during a two-month period in fiscal year 1981. The resulting 3,929 discharges are included in the fiscal year attrition statistics. If the Project Upgrade figures are excluded, Navy first term attrition would have fallen to 8.9 percent.

	1st term attrition[1]	Percent of 1st term enlisted end strength
Fiscal year 1977	42,165	15.7
Fiscal year 1978	31,324	11.6
Fiscal year 1979	27,155	10.2
Fiscal year 1980	24,756	9.3
Fiscal year 1981	27,874	10.4

[1] Attrition statistics do not include deserters.

Desertion.—Desertion statistics continued to decline in fiscal year 1981. Leadership initiatives are having a positive effect on reducing desertion rates. In addition, the practice of returning the deserter to the parent unit for processing, the establishment of the Desertion Information Point program, and the Navy Collection and Apprehension Units have been deterrents to desertion.

	Deserters	Incidents[1]	Rate per 1,000	
			Deserters	Incidents
Fiscal year 1977	12,648	14,539	27.5	31.6
Fiscal year 1978	11,436	13,949	24.9	30.2
Fiscal year 1979	11,669	13,552	25.3	29.6
Fiscal year 1980	10,477	12,131	23.0	27.0
Fiscal year 1981	9,044	10,181	19.4	21.8

[1] Includes those who desert more than once.

Retirements.—Attributable to the overall improvements in compensation are the decreasing number of enlisted Navy men and women requesting transfer to the Fleet Reserve. The 1,420 decrease in fiscal year 1981 is significant in that this group provides the senior supervisors and enlisted leadership in our ships and squadrons.

Sea Pay.—The clearest indicator of the impact of the 1 January 1981 improvement to Sea Pay is the increase in requests to stay on sea duty. For example, in fiscal year 1981, there were 1,138 more sailors requesting sea duty as a reenlistment incentive than in fiscal year 1980 and 1,753 more sailors requesting an extension of their rotation date to remain at sea than in fiscal year 1980.

Drugs.—We have made great strides to reduce drug abuse in the Navy and the Marine Corps. Last October, the Secretary of the Navy directed the establishment of a vigorous, aggressive, integrated drug abuse control program. The Chief of Naval Operations and the Commandant of the Marine Corps are personally engaged in the execution of this program within their services. The drug abuse control program recognizes the illegal nature of drug abuse and its destructive effect on discipline, reliability, performance and military readiness. It has the following features:

1. The services are using all legal means to identify in-service abuse. This includes expansion of portable urinalysis test capability and an increase in the availability of drug detection dog teams. Unit screening is being expanded with

emphasis on recruit training centers and major warfare specialty training facilities. Those detected for drug use will be punished, punitively separated, or administratively discharged as appropriate.

2. Traffickers will be disciplined as appropriate and processed for separation.

3. A self-referral program enables those who voluntarily seek help to receive treatment and, if successful, to be restored to full duty.

4. Preventive treatment and counselling of drug experimentors is being expanded. It is based on the Navy's highly successful alcohol abuse control program.

The services are enhancing the effects of leadership and positive peer pressure to make drug abuse "out of style" in military units. We are confident that the results of this program will be: a reduction in the experimental use of drugs; rehabilitation of those experimenters who can be restored to useful drug free service; deterrence of drug abuse among those who are not experimenters; reduction in the availability of drugs in military units; and a reduction in disciplinary and performance problems related to drug abuse. The Navy and Marine Corps are determined to cut this cancer from their midst and set an example that the rest of the American people can follow.

NAVAL AND MARINE CORPS RESERVES

The Naval and Marine Corps Reserves play a vital and unique role in the All Volunteer Force environment. We in the Navy must integrate our Reserves into the "Total Force" concept and place more reliance on their capabilities in order to achieve naval superiority. I have visited and talked with many of our Naval and Marine Corps Reservists and they are well trained and ready to support the active forces in a wide range of employment capabilities. The Reserve forces of the Department of the Navy make up a significant portion of our overall military effort as described by the following:

Naval Reserve Contributions.—

100 percent of the Naval U.S. Based Logistic Airlift.
100 percent of the Light Attack Helicopter Squadrons.
100 percent of the Naval Combat SAR Capability.
100 percent of the Naval Mobile Inshore Undersea Warfare.
99 percent of the Naval Control of Shipping Organization.
88 percent of the Naval Ocean Minesweepers.
84 percent of the Naval Cargo Handling Battalions.
68 percent of the Naval Mobile Construction Battalions.
66 percent of the Naval Special Boats Forces.
60 percent of the Military Sealift Command.
35 percent of the Naval Maritime Air Patrol Squadrons.
34 percent of the Naval Intelligence Personnel.
33 percent of the Naval Composite (Service) Squadrons.
14 percent of the Tactical Air Wings.

Marine Corps Reserve Contribution.—

100 percent of its Civil Affairs Groups.
25 percent of its Maritime Division Units.
25 percent of its Marine Aircraft Wings Units.
25 percent of its Combat Service Support Units.

Reserve Naval Aviation.—During 1981, Reserve Naval Aviation once again proved to be one of our best assets. The Naval Air Reserve has about 450 aircraft. They flew a total of 164,086 flight hours during 1981 and again achieved one of the best flight safety records in the Navy. They had the best safety record in the Navy in 1980 and second best in 1981. As stated previously, the Naval Reserve provides significant air power for the Navy. As an example, it provides:

100 percent of the U.S. Based Logistics Airlift (VR).
100 percent Light Attack Helicopter Squadrons (HAL).
100 percent Combat SAR Capability (HC–9).
35 percent ASW Patrol Squadrons (VP).
33 percent Navy Composit Squadrons (VC).
14 percent Navy Tactical Carrier Air Wings (CVW).

During fiscal year 1982, we have initiated a VP test program whereby Naval Reserve ASW personnel will be trained with the squadron they will augment upon mobilization. The test is being conducted at NAS Jacksonville using a Reserve Augment Unit, VP–0516, drilling with active squadrons, VP–5 and VP–16. Thus, the Naval Reserve personnel receive upgrading and training in the Navy's most up-to-date P–3C ASW aircraft (normally they would fly P–3A's). This procedure allows us to capture the trained talent leaving the Navy, provide a platform to upgrade our Reserve personnel, and grow a base from which we can eventually stand up Reserve P–3C squadrons. We look to expand this concept further with other programs of the *aviation fighter and attack communities.* Naval and Marine Corps Reserve aviation is healthy and improving and still retains some of the most combat experienced pilots in the Navy. I look forward to upgrading the Naval and Marine Corps Reserve with modern aircraft and assimilate them totally in the Navy's air wings.

Naval Reserve Surface Forces.—Fiscal year 1981 witnessed the phase down and early retirement of Naval Reserve Force World War II FRAM-type destroyers. This year, 1982, the Navy has introduced the first of the FF–1052 *Knox*-class ASW frigates as part of the Naval Reserve ship modernization program. The ceremony officially transferring the USS *Miller* (FF–1091) and USS *Lang* (FF–1060) was held on 16 January 1982. The USS *Miller* and USS *Lang* are homeported at Newport, R.I., and Long Beach, Calif., respectively.

These are the first frigates to be assigned to the Naval Reserve Force with more control, responsibility, and authority provided to the Chief of Naval Reserve. In 1983, there will be additional frigates added to the NRF. Newport and Long Beach will each homeport three frigates. Further down stream, the addition of other modern ships is being reviewed positively.

Reserve Manpower.—Without a doubt, the most significant Naval Reserve personnel-related innovation has been the advent of the Navy Manpower Mobilization System or NAMMOS. The system provides a quantifiable base of the requirements as derived from numerous plans. The fiscal year 1981 Selected Reserves (SELRES) requirement was derived by NAMMOS to be about 114,000. However, the fiscal year 1981 budget allowed only sufficient funds to recruit to 87,000 and we achieved that goal plus several hundred more (87,601).

The fiscal year 1982 NAMMOS reflects a requirement of about 112,000 and the 1982 appropriations bill provides funding for 94,000 SELRES. We are currently working to achieve that number.

The Marine Corps Reserve enjoyed a banner year in fiscal year 1981, especially in the areas of manpower acquisition and numerous actions taken to increase the readiness capability of individual Reservists. The end strength of the Selected Marine Corps Reserve (SMCR) increased by over 3,000 individuals—10 percent of our on-board strength. Much more important, however, was the improvement in quality of new personnel joining our Reserve (84 percent high school graduates, for example, compared to 75 percent the previous year), and a lower attrition of our trained personnel already on board. We doubled our use of Reservists brought back on active duty for extended tours to help organize, recruit, instruct, and train Reservists, thus accomplishing vital requirements without tasking additional active duty personnel.

Naval Reserve Readiness.—The Naval Reserve Forces provide valuable fleet support and participate in numerous exercises to enhance their readiness. For example, in fiscal year 1981, we had Reserve VP Squadrons continually operate with regular VP Squadrons in the Atlantic and Pacific regions. Also Carrier Air Wing Reserve (CVWR) provided orange opposition forces for fleet air defense and air-to-air warfare exercises for training deploying battlegroups. Also, Surface Reserve Readiness has improved over the past year. As previously noted, our surface combatants are being upgraded. Hardware Units, such as Special Boat Squadrons and Seabees are receiving an impressive infusion of new equipment. Four new "Seafox" boats are programmed for our Special Boat Units in fiscal year 1983 and our Reserve Seabees will receive equipment which will cover longstanding shortfalls. Also, Reserve Cargo Battalions are scheduled for improved equipment augmentation in fiscal year 1983. Reservists are augmenting our instructors at Navy schools, taking part in surface deployments, providing maintenance support during fleet repair exercises, and our Reserve VAW Squadrons provide Airborne Early Warning during fleet exercises. The busy Reserve tempo demonstrates their capability and readiness. They provide an extremely professional asset to the total force concept.

The readiness picture of our SMCR remains stable. Over 15,000 SMCR individuals participated in field exercises and over 215 units conducted training and exercises away from their home site. As a result of extensive testing, 84 percent of the units tested were considered to be ready for deployment.

While the picture in our Marine Corps Reserve aviation force is not as bright, primarily because of the shortage and age of our aircraft inventory, we did establish a new squadron of EA–6B aircraft at one of our Reserve aviation sites, which is the initial step to provide the Reserves with modern aircraft, compatible with the regular components.

My commitment to the committee is to work for a Navy and Marine Corps Reserve without peer in performance, training, and quality. A Reserve outfitted with compatible, state-of-the-art equipment. Today's Reserve sailors and marines are prepared, if called upon again, to demonstrate their readiness and ability to both deploy and fight. Combat readiness will remain the focal point of all our future efforts. And readiness is a function of manpower, training, and materiel. Naval and Marine Corps Reserve training will continue to be challenging, realistic, and supportive of the overall mobilization effort.

CIVILIAN PERSONNEL

The Navy and Marine Corps employ some 360,000 civilians, including many foreign nationals at our overseas bases. Approximately one-seventh of our employees are engaged in the Non-Appropriated Fund Instrumentalities which provide basic morale, welfare, and recreational services, and do not cost the taxpayers any direct money, yet contribute to the quality of life goals of our military. The vast majority of the others are employed at some 900 first line activities where their services are directly interfacing with operating units and military personnel. Often military and civilian personnel work side by side as a team, at times with military supervisors and at others, civilian supervisors.

I retain policy control over the civilian work force in the same manner I retain policy control over the active and reserve military manpower. However, recognizing our civilian's direct relationship with the operational forces, we transferred civilian personnel from direct Secretarial control to the Chief of Naval Personnel in 1978. From this, a very healthy situation has evolved. We now have a total manpower concept in the Department of the Navy. It is in place; it has had three years of experience in growing; and it has proven the value of recognizing that all active duty, reserve and civilian personnel are on the same team under the same organizational structure.

Recruitment.—In order to support the planned force expansion, we are making significant adjustments in the civilian force. Our fiscal year 1983 budget reflects an essentially level civilian work force, increasing by only about 1,400 in a force of over 319,000. Within that total number, we want to add about 11,000 civilians to such readiness-related areas as shipyards, air rework facilities, supply centers, ordnance activities and Marine Corps activities. We have difficulty in recruiting highly desirable specialists in the scientific, engineering, and computer arts. Some years ago, we were allowed to offer higher entry level grades in some disciplines, but unfortunately, time and inflation caught up with this partial fix. We have proposed a creation of a recruitment bonus to close the salary gap with private industry without distorting the basic compensation system by raising entry-level pay for all.

At the entry levels, civilian recruitment is not as difficult except in a few professional disciplines. Indeed, at one shipyard last year, we had over 5,000 applicants for 80 slots in our apprentice program. Vis-a-vis turnover, most of our historical and projected 10 percent overall figures occur at the lower grades, and in our retirement eligible populations. Hence, it is fair to conclude that once in a job, the Navy is a good employer.

Contracting Out.—We are offsetting our increases with projected economies and efficiencies which will provide savings of about 9,600 civilian positions including projected cost-effective contracting of about 7,600 positions as a result of cost studies being conducted under OMB Circular A–76 procedures. Although our progress to date in this area has been relatively slow, we will be achieving greater results from the Commercial Activities Review Program.

NIF.—The real challenge in the future will be in our various Naval Industrial Funded (NIF) activities—our shipyards, aircraft rework facilities, supply centers, and some laboratories where the work load is directly proportional to the administrative, logistics and maintenance requirements of the fleets. Our NIF planning envisions that we will be able to proceed without a commensurate increase in administrative overhead, but we will need to add more people incrementally as the fleets increase. Navy civilians provide direct readiness support at fleet operating bases, Marine Corps bases, supply activities and ship repair facilities. At training and medical facilities, they provide essential services in skill development and quality of life considerations necessary to support the quality and quantity of military personnel needed to man the fleet and shore establishment.

The Navy considers its civilian personnel as an integral part of the regular military, reserve military, civilian total manpower team. I have found them to show the same pride in performance which marks the military elements of this team, and I am gratified by their performance. As the Navy grows to our projected 15 battlegroup, 600 ship fleet, it is clear that we will not require a commensurate growth in our civilian employees. Within the constraints of balancing military readiness with sound fiscal policy, the Navy and Marine Corps have made good progress.

CONCLUSION

As a Maritime Nation, the United States is and will continue to be highly dependent on the free use of the seas in order to provide access to scarce strategic resources, to participate in world trade, and to support our global alliances. Guaranteeing continued freedom of the seas requires Naval forces with the capability to keep the sea lanes of communication open and to project power when and wherever it is required. The Navy's overriding manpower and personnel challenge during the 1980's will be to provide sufficient manpower with the proper skill mix to support expansion to a 15 battlegroup Navy. There is good reason to be optimistic that this challenge can be met. The Administration, the Congress, and increasingly, the Nation are truly supporting development of respectability of service to the country. Within the Navy, professionalism, stature, and pride have improved. The Marine Corps' overriding challenge during the 1980's will be to maintain their high-level mission of "a force in readiness." The Navy and Marines have proven time and time again our trust is well placed. The overriding challenge to Americans in the 1980's will be to supply the trust, support, and material to our service personnel. Investing in our Navy and Marine men and women is the finest investment our country can make.

Senator Jepsen. Admiral Zech, do you have an opening statement?

STATEMENT OF VICE ADM. LANDO W. ZECH, JR., U.S.N., DEPUTY CHIEF OF NAVAL OPERATIONS (MANPOWER, PERSONNEL, AND TRAINING)

Admiral Zech. Yes, I do, Mr. Chairman. With your permission, I would like to submit it for the record and give just a few brief remarks, if I may.

Senator Jepsen. All opening statements will be printed in the record as if read.

Admiral Zech. Thank you, sir.

Mr. Chairman, before I proceed with a brief overview of the Navy's primary manpower and personnel challenges of today and the next few years, I would like to again express my very sincere appreciation to you, sir, and to your subcommittee for the compensation and personnel related legislation enacted by the last two sessions of the Congress.

The entire Navy is deeply grateful to you, Mr. Chairman and to this subcommittee. Your recognition of the crisis we faced and the resolute action that followed built the foundation for the success story that we can tell today.

The restoration of military men and women to first-class citizenship has stemmed from the most significant compensation improvements that I have witnessed in my 37 years of naval service.

During this past year we have shown that with the necessary support we can recruit and retain the people we need to man our Navy today and in the future. We can man our growing Navy. Our challenge is to man that Navy with sufficient officers and petty officers who possess the training, the dedication and motivation to withstand the arduous environment of the sea and who will prevail if called upon to fight.

It would have been easier to rebuild our Navy if we could have started from the main deck. We did not. We started from below decks.

You are familiar with the shortage of petty officers which led to lowered fleet readiness because we were forced to use inexperienced petty officers as supervisors in our ships and aircraft squadrons. With your support we have arrested that "hemorrhage of talent" and today all of our indicators are pointing in the positive direction. I am referring to recruiting, retention, attrition, and other indicators from which the health of Navy manpower can be determined.

NEED TO INCREASE ENLISTED FORCE

To man a larger Navy we will need to increase our enlisted force by 1990 to about 560,000. We have a plan that will not only achieve this goal, but it will also reduce the current shortfall of petty officers to zero by 1990. It is an ambitious plan, not without obstacles. But I am confident that, with your continued support, we can achieve this goal and that we can man our growing Navy.

The critical element of the plan is providing an attractive career for petty officers and officers that results in a high percentage of our best opting to continue their naval service at the first, second, and later decision points. Statistically, this translates to enlisted retention rates of 47 percent first term, 67 percent second term, and 98 percent for the senior careerists. To date this fiscal year we are ahead of that goal in the first- and second-term enlistments and very near the goal in senior careerists.

Accompanying this level of career continuation must be a steady influx of high quality recruits who will provide the base for future petty officers. The often cited decline in the manpower tool over the next decade is real. Competition for talented youth at the entry level will increase. But I am confident that with your support for a volunteer force the Navy can recruit, train, and retain in the needed skills, the motivated sailors necessary to man a growing number of sophisticated ships and aviation squadrons.

I mentioned our plan and I would like to highlight its key elements. Foremost is maintaining basic pay levels competitive with alternative careers. We saw, too graphically, what results from expecting military men and women to sacrifice inordinately to serve their country. We saw what that brings to us.

REENLISTMENT BONUS PROGRAM

Second, we need continued support for our reenlistment bonus program which provides a targeted incentive to those skills which are in most demand in the private sector.

Third, we will continue to emphasize our initiatives to improve the quality of life of our sailors and their families. The sacrifice that is inherent in the sailor's way of life must be counterbalanced to provide them and their families with adequate facilities and services.

Fourth, and I am talking about Navy responsibilities, we will continually reexamine our personnel management policies and procedures to insure that we maintain, wherever possible, a balance between the needs of the service and the needs of our people.

Finally, and the results are already evident, we are committed to increasing the pride and professionalism that our sailors feel in serving in the U.S. Navy.

A return to the traditional leadership role filled by senior petty officers in the chain of command has resulted in renewed professionalism and renewed pride, especially in wearing the uniform of their country.

To heighten professionalism we have begun a shipboard course during the past year to insure that our junior petty officers are prepared to accept their additional responsibilities and have established a senior enlisted academy at Newport, R.I., to hone the skills of our more senior enlisted leaders.

In summary, Mr. Chairman, our challenge is a real one. However, I am convinced that we are on the right track. With your continued support I can assure you that the Navy is devoting its collective energy toward manning our Navy with men and women in whom we can all be proud and who will continue to provide the naval readiness necessary to the strength of our Navy.

Thank you very much, Mr. Chairman.

Senator JEPSEN. Thank you.

[The prepared statement of Vice Adm. Lando Zech, Jr., follows:]

PREPARED STATEMENT OF VICE ADM. LANDO W. ZECH, JR., DEPUTY CHIEF OF NAVAL OPERATIONS FOR MANPOWER, PERSONNEL AND TRAINING AND CHIEF OF NAVAL PERSONNEL

I. INTRODUCTION

Mr. Chairman and Members of the Subcommittee, I am Vice Admiral Lando W. Zech, Jr., Deputy Chief of Naval Operations for Manpower, Personnel, and Training and the Chief of Naval Personnel. This is the second year I have had the opportunity to testify in support of the Total Navy Manpower Program as reflected this year in the fiscal year 1983 Budget. The Total Navy Manpower Program includes active duty U.S. Navy military personnel, civilian employees of the Navy, and the Naval Reserve. My statement addresses all three of these elements and discusses the "state of health" of each of them.

Before I outline the manpower challenge the Navy faces in the next five years I want to express my appreciation for the compensation and personnel related legislation enacted by the first session of the 97th Congress. The Uniformed Services Pay Act of 1981, with its substantial pay increases and several other important personnel provisions, continued the momentum begun by the 96th Congress. In the aggregate, the personnel legislation of the past two years contains the most significant improvements to military compensation that I have witnessed in my thirty-seven years of active duty.

For the Navy, the impact has been striking. The personnel hemorrhage that reached its height in 1980 has been arrested. Although the serious petty officer shortage will not be fully resolved for several years, virtually all our indicators, including recruiting, retention and personnel readiness, are now pointing in the right direction. During fiscal year 1981, the total number of petty officers in the Navy increased by 5,000. During the past fiscal year, we had 2,185 fewer members request transfer to the Fleet Reserve and, of particular importance to fleet readiness, 1,138 more sailors requested duty at sea as a reenlistment incentive.

Additionally, the men and women of today's Navy are displaying a renewed pride in their profession. Certainly, much of the credit for this resurgence goes to the Congress, as your actions of the past two sessions have restored self esteem and the sense that the sacrifices of military personnel are recognized. Against this background of increased appreciation, our sailors have responded enthusiastically to the Chief of Naval Operations' emphasis on higher standards of leadership and performance, reinvigoration of our traditional reliance on Chief Petty Officers, a "zero tolerance" policy regarding the delibilitating effects of drug abuse and a commitment to increased cohesiveness and "esprit de corps" in our ships and squadrons. From a naval officer's perspective, the results are evident. Today we have a more professional, better disciplined, and smarter looking sailor than we did a year ago. I am confident the trend will continue.

A. Navy's manpower challenge

As I indicated last year, Navy's manpower, personnel and training challenge of the 1980's is to man a growing Navy with sufficient manpower of the proper skill mix. We face this challenge during a period of increasing national commitments, a high tempo of fleet operations, and a declining manpower pool of 18–21 year old males.

The key to meeting manpower challenge is improved officer and enlisted retention as well as continued successful recruiting. Because of our increasing requirements for large numbers of highly skilled officers and petty officers and the high cost of training these individuals, we cannot afford to train and then lose large numbers of them to civilian industries. We must retain a high percentage of these skilled Navy people and I am confident that with your continued support we will do so.

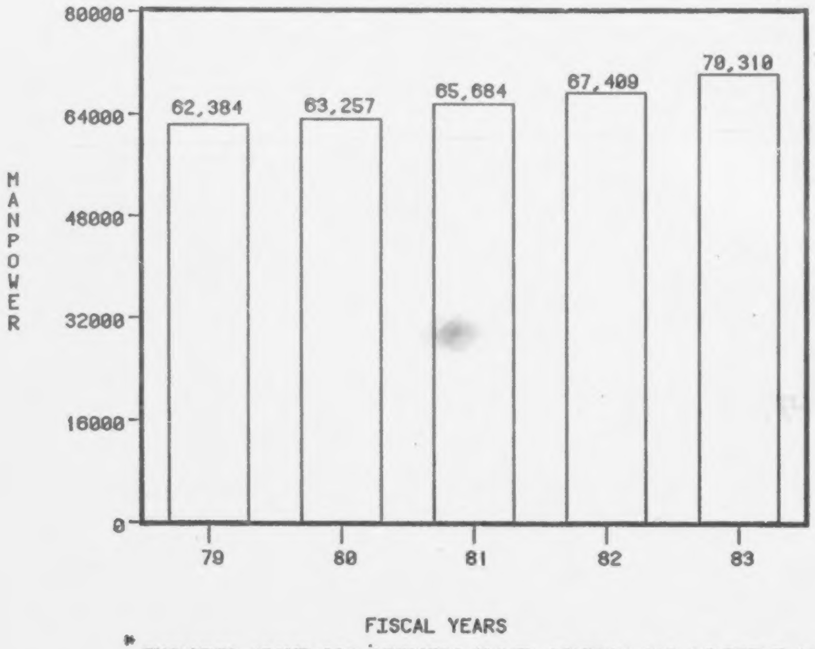
Our fiscal year 1983 budget request is structured around the requirement to grow our officer and enlisted forces. The various aspects of the request, such as recruiting, the reenlistment bonus program, training and leadership improvements, our attack on the debilitating effects of drug abuse, quality of life initiatives, support for our civilian work force, more effective use of reserve assets, and improved management information systems are all designed to support the manning of a growing Navy. The remainder of my statement provides details of the fiscal year 1983 request against a background of where we are today.

II END STRENGTH

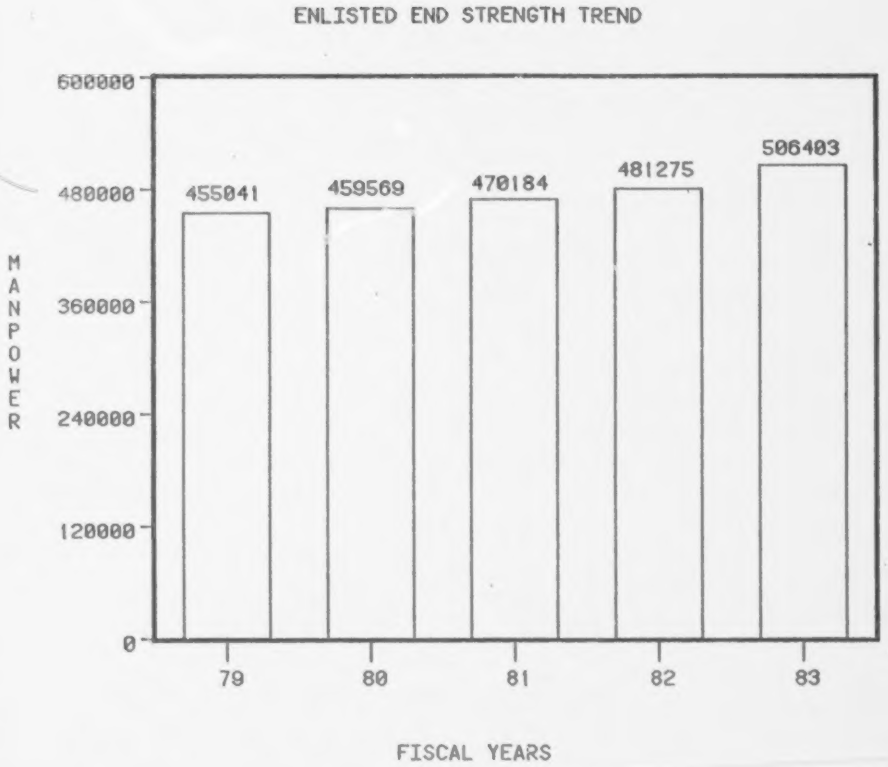
A. Active end strength levels

The fiscal year 1983 MPN and RPN budgets request an authorized end strength of 581,238 personnel.—This includes 70,310 officers, 506,403 enlisted and 4,525 midshipmen. Of this total, about 1,422 officers and 10,616 enlisted are reservists on active duty for full-time support of the Naval Reserve who will be funded by the RPN appropriation for the first time in fiscal year 1983. These totals represent an active duty end-strength increase of 2,900 officers and 25,128 enlisted personnel over the fiscal year 1982 authorization. The trend in both officer and enlisted end strength since 1979 is displayed on the following charts.

OFFICER END STRENGTH TREND *



* INCLUDES ABOUT 200 OFFICERS UNDER SECTION 265 OF TITLE 10 USC



The bulk of the requested strength increase is directly associated with the increase in ships and squadrons both in the near term and planned over the next decade. Not only will the increase man the new ships in Navy's inventory and provide the groundwork for future growth, but it will also increase manning levels on existing ships.

The number of ships in the Navy's total battle force increases from 514 in fiscal year 1982 to 535 in fiscal year 1983. Among the new ships are ten frigates, four attack submarines, one battleship, one cruiser, one destroyer, one destroyer tender, and one oiler. Of the total active end strength increase of about 28,000, 4,400 is applied to manning of these additional ships.

In naval aviation, we have an increase of five squadrons in fiscal year 1983. This includes one LAMPS III squadron, two CH-53E helicopter squadrons, and the first two attack squadrons for the thirteenth air wing. 1,800 of the total strength increase is directly associated with manning these new aviation units or improving manning of existing units.

Our strategic forces increase in strength by about 900. This increase will man the newest Trident, and support Tridents still being constructed.

Training resources are also programmed to increase in order to man the operating forces with trained and experienced personnel. Increases in staff (1,400) and student trainees (6,700) for individuals training are required to support the increased fleet demand and new accessions levels. Manpower in fleet readiness training (1,000 instructors, 1,200 students) especially aviation replacement squadrons, is being increased to meet the growing requirement for new squadrons and aircraft. The high staff/student ratio is necessary because of the highly specialized type of training required.

In auxiliary activities such as intelligence and communications facilities, manpower is programmed to increase by 500. Staff growth in medical units of 300 is planned in fiscal year 1983 in order to increase our capability to handle casualties in time of war, and increase support for active duty care.

An increase of 3,600 personnel is programed for fleet support. Included is growth at important overseas bases, logistics facilities, intermediate and ashore maintenance activities and personnel support activities.

For the expanding force mentioned above, it is necessary to program the transient account properly. An increase of about 6,200 reflects the proper sizing of this account for the budgeted PCS plan.

In summary, the operating forces, including ships, air squadrons, and strategic forces, increase by 7,100 active duty personnel. Auxiliary activities and other fleet support activities are programmed to grow by 4,400. The training resources required to man the Navy today and in the future, grow by 10,300 staff instructors and students. The transient account growth of 6.200 personnel makes up the remainder of the 28,000 active duty increase for fiscal year 1983.

ACTIVE MILITARY END STRENGTH

	Fiscal year 1982	Fiscal year 1983	Increase
Fiscal year 1982 end strength authorization	554, 600		
Fiscal year 1982 current plan	553, 000		
Fiscal year 1983 authorization request		581, 238	
Increase from fiscal year 1982 current plan			+28, 239

B. Reserve strength

We are requesting a Selected Reserve strength of 93,240 for fiscal year 1983. We are also requesting authorization for 550 personnel in our expanded Individual Mobilization Augmentee (IMA) program and an end strength of 12,040 Reserve personnel on active duty for full-time support of the Naval Reserve. Therefore, our total personnel request for the Naval Reserve is 105,828.

This request represents an increase in average strength of 3,140 Selected Reserve personnel as we grow to more closely match the requirements identified by our Navy Manpower Mobilization System (NAMMOS). The IMA program increase includes 230 personnel for a new medical program to meet expanding requirements for the RDF. The number of Reservists on full-time active duty in support of the Naval Reserve increases by 964. This is primarily the result of the expansion of the enlisted Training and Administration of Reserve (TAR) program associated with the transfer of the FF-1052 Class Ships to the Naval Reserve.

It is important to note that, although we are requesting a significant increase in personnel for the Naval Reserve, the major portion of the apparent growth is solely the result of a change in funding source and associated accounting procedures for the TAR program. Prior to fiscal year 1983, these personnel (with the exception of approximately 200 who were assigned to headquarters billets in accordance with section 265 of Title 10 USC) were funded and accounted for in the same manner as all other active duty personnel. As the result of Congressional direction, the TAR program will be funded from the Reserve Personnel Navy (RPN) appropriation in fiscal year 1983.

C. Civilian end strength request

The fiscal year 1983 Navy civilian end strength request of 299,935 reflects an essentially level profile over the budget years fiscal year 1981 to fiscal year 1983. This level of stability will allow civilian end strength growth of about 9,800 for expanded readiness-related activity primarily in Naval Shipyards, Naval Air Rework Facilities, ordnance, industrial research activities, fleet activities, and central supply activities. These increases are essentially offset by decreases of about 8,900 end strength resulting from budgeted economies and efficiencies reflecting projected contracting out of various commercial functions and a proposed conversion of jobs at commissary stores from civil service employees to contract government employees. The Navy is making a concerted effort to accelerate the commercial activities review program, and realized projected efficiencies by performing commercial industrial functions on an economical basis whether in-house or on contract. Accordingly, the fiscal year 1983 budgeted end strength reflects additional initiatives in contracting out, with further contracting out programed for the outyears. The resulting civilian end strength represents a realistic program that provides for essential readiness increases, while reflecting a strong commitment to increase economies and efficiencies. Civilian end strength changes will be discussed in detail later in the statement.

III. PERSONNEL READINESS

A. General

Although our readiness statistics for ships and squadrons have improved during the past year, presonnel readiness deficiencies continue to dominate our readiness picture. Shortages in critical ratings remain the major cause of readiness degradation in most ships and squadrons.

B. Manning shortfalls

1. *Enlisted.*—Last year I spoke of the experience shift that had occurred in our career force from 1974 to 1980 when about 23,000 senior, careerist personnel with 11 to 30 years of service were replaced by junion careerists with 5 to 10 years of service. I am pleased to report that we have made considerable progress with this problem. In fiscal year 1981, our improved retention resulted in an increase of 10,500 careerists (9,300 junior careerists and 1,200 senior careerists). However, the 203,600 total careerists Navy had on board as of the end of fiscal year 1981 is still substantially below the 263,000 careerists required for the Navy of fiscal year 1987. Nonetheless, with continued support for competitive pay over the next 5 years as well as support of other initiatives designed to enhance retention, we are confident that we will achieve our goal for careerists.

With respect to our petty officer strengths, we were able to increase our inventories by 2 percent (5,000 personnel) during fiscal year 1981. This enabled Navy's enlisted inventory to stay abreast of the growing force structure, which increased from 479 ships in fiscal year 1980 to 491 ships in fiscal year 1981. Consequently, our petty officer shortfall (E4–9) remained at 22,000. In fiscal year 1982, our inventory of petty officers will grow faster than the growth in billets authorized, resulting in the petty officer shortfall decreasing to 18,000 by the end of fiscal year 1982 and to 8,000 by the end of fiscal year 1987. By 1990, we expect the petty officer shortage to be essentially zero.

2. *Officer.*—The most serious officer shortages are in the aviation and nuclear trained officer communities. Although the increases to retention bonuses for nuclear officers and the implementation of Aviation Officer Continuation Pay have resulted in increased retention, the shortages were so acute that it will take years to overcome them.

C. Recruiting

As of February 1982, Navy has successfully met its total One-Navy enlisted accession goal for 27 consecutive months and has exceeded goals in many individual programs, including those for prior service enlisted and total numbers of commissioned officers. I am optimistic that we can continue our success in fiscal year 1982, however, fiscal year 1983 offers mixed expectations, with certain key indicators signaling a difficult time ahead in the market place.

1. *Enlisted Recruiting.*—During fiscal year 1981, Navy met its total enlisted accession goal for the second consecutive year, recruiting a total of 106,322 personnel for 100.1 percent attainment of goal. This number was a 6,791 increase in the number of total accessions over fiscal year 1980, including a 6 percent increase in nonprior service males. Notably, the percentage of upper mental group recruits and high school graduates also increased.

Results within the prior service market have been particularly satisfying. During fiscal year 1981, we recruited a total of 12,314 prior service veterans. This represents a 26.8 percent increase over our achievement in 1980. In particular, we are pleased with the Navy veteran recruiting results; 9,054 of the prior service accessions were Navy veterans, 77.2 percent of whom were petty officers available for immediate utilization in the fleet.

The following table summarizes our recruiting performance in terms of quality and quantity from fiscal year 1974 through the present.

Although the Navy met its accession goals for fiscal year 1981, making these goals proved difficult with an increased requirement for approximately 7,000 accessions over fiscal year 1980 and a decreasing pool of recruitable age males in the population. Continuation of sound management initiatives previously implemented, availability of the requisite fiscal and manpower resources, and the recessive national economy contributed to achieving the successful year despite the aforementioned conditions. An improving economy, with its attendant increase in civilian employment opportunities and intensified competition for quality youth, and increasing goals in fiscal year 1983 will place a strain on the recruiting effort.

ONE NAVY ENLISTED RECRUITING

QUANTITATIVE RESULTS

[By fiscal years, qualitative results in percent]

	1974 [1]	1975	1976	1977	1978	1979	1980 [2]	1981	1982
Goal	106,028	112,130	103,325	116,314	94,735	93,390	99,299	106,238	27,942
Attained	101,907	113,027	103,587	111,557	89,009	88,345	99,351	106,322	28,175
Percent attained	96.1	100.3	100.3	95.9	94.0	94.6	100.1	100.1	100.8

QUALITATIVE RESULTS

	1974 [1]	1975	1976	1977	1978	1979	1980 [2]	1981	1982
HSG [4]	66.6	74.8	84.1	79.6	83.3	84.0	83.6	87.3	87.9
HSDG [5]	61.5	70.4	76.5	72.6	77.1	77.4	74.8	75.8	74.9
SE [6]	81.5	82.4	88.0	83.2	87.4	86.5	87.3	87.9	88.7

[1] Fiscal year 1974 was the 1st full fiscal year without a draft.

[2] Revised recruiting policy implemented. Nonprior service male accession to be 74 percent Mental Group I, II, III, and IIIU vice 76 percent HSDG.

[3] Figures as of Jan. 31, 1982.

[4] High school graduates (HSG) include diploma graduates (HSDG) and those personnel who validate a high school education as a result of testing or have completed an accredited home study course.

[5] Fiscal year 1974 HSDG percentage is based solely on USN nonprior service active duty male accessions. Subsequent years are based on all nonprior service active duty accessions.

[6] School eligible.

Beyond the projected market size and improving economy, I am concerned by the difficulties we are experiencing with our Delayed Entry Program (DEP) pool. During fiscal year 1981 105,162 new contracts (includes active duty accessions and DEP pool) were written as compared to 108,114 fiscal year 1980. As a result, Navy experienced a significant draw down in the Delayed Entry Pool. Because the DEP pool is so critical to making future active duty goals, Navy has developed a long-term management strategy which will provide for continued attainment of annual accession goal while allowing us to build our DEP level in the next 5 to 6 years to approximately half of the expected annual accession goals. The cornerstone for success in pursuing this strategy is the budgeting of adequate recruiting resources based upon long-term Navy manpower requirements, rather than annual accession goals. The $11M budget reduction made by the fiscal year 1982 Appropriations Act to the Recruiting and Advertising program will make it more difficult to execute this strategy. Because the fiscal year 1982 reduction will result in a 23-percent reduction in national advertising and a 55-percent reduction in Navy awareness programs, its impact will be felt in fiscal year 1983 and beyond. For these reasons, it is critical that the fiscal year 1983 request be supported.

2. *Officer Recruiting.*—Naval officer recruiting efforts in fiscal year 1981 resulted in the attainment of a higher number of officer accessions than in any other year since the beginning of the All Volunteer Force. Continued emphasis on officer recruiting, better management, and a lagging economy were all factors in Navy achieving 100 percent (4,767) of its total fiscal year 1981 officer goal (4,764). The following table reflects major officer program attainment for fiscal year 1981.

MAJOR OFFICER PROGRAM ATTAINMENT FOR FISCAL YEAR 1981

	Goal	Attained	Percent
Nuclear propulsion officer candidate (sub)	263	126	49
Nuclear power/instructor	61	35	57
Aviation officer candidate	890	921	103
Naval flight officer candidate	510	535	105
Surface warfare officer	980	1,010	103
Supply officer	419	437	104
Women officer (1,105)	325	331	102
Civil engineer corps	80	81	101
Physicians	75	106	141
Nurses	198	198	100

Notwithstanding overall success in meeting total officer requirements, a shortfall in recruiting for Nuclear Propulsion Officer Candidates (NUPOC) was again experienced in fiscal year 1981. The NUPOC program enlists engineering, mathematics, or physical science majors in their junior or senior year of college, or upon graduation, for subsequent commissioning and training in nuclear propulsion. Recruiting submarine volunteers was the highest priority for officer recruiters during fiscal year 1981. Approximately 23 percent of officer recruiter assets were dedicated solely to the NUPOC program. In spite of this level of commitment, only 126 applicants were recruited against a goal of 263 for nuclear submarine officers. As a result of the recent pay and bonus increases, Navy has finally become competitive with civilian industry entry level salaries for engineers, mathematicians, and science majors. This should improve NUPOC recruiting in the future.

Aviation, Surface Warfare, Supply Corps, Civil Engineer Corps, Dental Corps, Nurse Corps and Unrestricted Line Women Officer accessions equalled or exceeded goals in fiscal year 1981. Although Medical Corps total goal was met, there are still shortages in certain skill areas, i.e., surgeons.

Officer recruiting goals are expected to remain high in the future. As long as pay is competitive, there are sufficient recruiting resources, and the economy improves at no more than its projected rate, the prognosis for the future in Navy officer recruiting is favorable.

D. *Retention*

1. *General.*—Retention of our mid-grade petty officers and line officers continue to receive priority attention. The military compensation initiatives enacted by the last two Congresses have clearly had a positive effect on the Navy's mid-grade petty officer shortfall and have resulted in increasing retention in the officer community, especially the unrestricted line. The following examples show the effects of the compensation enhancements which were directed at the unique demands of Navy life. Increased Sea Pay, enacted last year, resulted in a 58 percent increase in fiscal year 1981, from 3,010 to 4,768, in requests by our sailors to remain at sea beyond normal tour lengths. Additionally, requests for sea duty as a reenlistment incentive rose 36 percent in fiscal year 1981, from 3,190 to 4,328. These are healthy and much needed improvements. There were also 2,185 fewer requests for transfer to the Fleet Reserve. In the context of improving fleet readiness, enlisted retention improvement requires not only aggregate numbers of reenlistments, but also a proper match of individal skills to requirements. The Selective Reenlistment Bonus (SRB) program, which provides a flexible means of addressing specific skill shortfalls, has proven to be most effective in addressing this requirement.

In fiscal year 1981, we met nearly 100 percent of SRB reenlistment goals, and as the fiscal year 1982 budget progressed through the authorization process, we expected to match that performance in fiscal year 1982. Action by the appropriations committees, however, will force us to modify our payment system to payment of 50 percent at the time of reenlistment with the rest paid out in annual increments over the term of enlistment. Although the near-term cost savings associated with this method of payment are obvious, it should be pointed out that the savings over the term of enlistment is zero and the effectiveness of the bonus as a retention tool is significantly undermined. The fact that inflation will eat away at the purchasing power of outyear payments will not be lost on our potential reenlistees. In fiscal year 1982 alone we expect to lose over 400 reenlistments as a result of this change, and fiscal year 1983 projections are 600 petty officers lower than under the previous payment system. The critical issue is that these are hundreds of trained, experienced petty officers in ratings with direct readiness impacts where we are already short of requirements.

2. *Enlisted Retention.*—Our success in enlisted retention for fiscal year 1981 was greatest in the career force (second and third termers) where we exceeded retention goals. The fiscal year 1981 second term retention rate was 56.9 percent versus a fiscal year 1981 goal of 52.3 percent. The third term and beyond rate for fiscal year 1981 was 94.1 percent versus a fiscal year 1981 goal of 94.0 percent. In the first term, while we saw improvements over the fiscal year 1980 performance, Navy still did not meet the desired goal. The fiscal year 1981 first term retention rate was 41.7 percent versus 36.7 percent in fiscal year 1980, but was below our 44.0 percent goal for fiscal year 1981. Meeting our

higher fiscal year 1982 goals is necessary to reduce the current 22,000 petty officer shortfall and to allow for growth of Navy force leaves in the late 1980's. We believe the goals are achievable.

I am encouraged by the upturn in retention rates in comparison to last year. but our actual number of reenlistments was still about 1,600 below our overall enlisted retention goal of 53,190. As shown below, in fiscal year 1981 we made significant strides against fiscal year 1981 retention goals, but will need even better retention to meet the increased goals for fiscal year 1982 and beyond.

[By fiscal years, in percent]

	1978	1979	1980	1981	1981 Goal	1982 Goal
1st term	40.3	36.5	36.7	41.7	44.0	47
2nd term	47.3	45.3	50.5	56.9	52.3	67
3d term percent beyond	92.0	91.4	91.6	94.1	94.0	58

3. *Officer Retention.*—I am pleased to report that retention gains of mid-grade officers, particularly in the aviation community, were significant during fiscal year 1981. This increase is expected to continue through fiscal year 1982. The table below shows actual retention rates in the Surface Warfare, Pilot and Nuclear Submarine communities attained in recent years and projected rates for fiscal year 1982.

[By fiscal years, in percent]

	1979	1980	1981	1982 projected achievable goal	Steady state goal required
Surface warfare	31	39	42	47	52
Pilot	31	30	42	45	57
Nuclear submarine	42	36	33	37	45

In addition to increased retention rates, another significant trend was that the number of resignations submitted by unrestricted line officers during fiscal year 1981 decreased by 24 percent, from 1,575 to 1,207, compared to those submitted during fiscal year 1980.

As a result of the healthy retention incerase of 12 percent during fiscal year 1981, the Navy's critical shortage of aviators decreased from 2,430 in October 1980 to 2,300 in January 1982. This increase can be attributed to the implementation on 1 July 1981 of Aviation Officer Continuation Pay (AOCP) coupled with the slowdown in airline hirings. We must continue our upward retention trend throughout the mid-1980's to further reduce the shortfall. We feel that continuation of AOCP and attainment of pilot training goals, are essential in order for the pilot community to meet its requirements by fiscal year 1987.

Retaining nuclear trained submarine officers continues to be a major problem because of the demand in civilian industry for this uniquely trained individual. Although in fiscal year 1981 we experienced a 3-percent drop in retention for this community, the end year retention rate of 33 percent was higher than the original projection of 28 percent. We did better than anticipated because of increases in base pay, submarine pay, nuclear bonuses and the implementation of sea pay, which have paid dividends in the form of increased retention. Although the shortage of nuclear-powered submarine officers is just below 1,000, the number of years an officer must spend at sea during a 20-year period decreased from 15 to 14. As the inventory increases, the time at sea will be lessened even further, toward a goal of 11 years, making nuclear submarine duty much more attractive.

Retention in the surface warfare community has continued to improve, but we still have a shortfall of about 400 mid-grade officers. The Navy has retained more officers in recent years because of improved professional training, better sea/shore rotation and enhanced sea pay.

Although retention gains during the past fiscal year were significant, the retention problem is far from solved. If we are to maintain the upward retention momentum and have sufficient qualified officers to man a 15-Carrier Battle Group Navy, we must continue to compensate our officers both monetarily and in other ways for the unique sacrifice that is required of them.

E. Attrition/desertion trends

In fiscal year 1981 we experienced 10.4 percent first term attrition compared to 9,3 percent in fiscal year 1980 and 10.2 percent in fiscal year 1979. However, this increase is attributed to our special initiative, Project Upgrade, which discharged 3,929 marginal performers in our effort to improve the quality of the enlisted force. If the Project Upgrade discharges are excluded from our statistics, fiscal year 1981 attrition would have been 8.9 percent.

Desertion statistics have continued to decline over last year's figures. The desertion rate in fiscal year 1981 dropped (21.7 incidents per 1,000) 19 percent from fiscal year 1980 (27 incidents per 1,000) and 26 percent from fiscal year 1979 (29.6 incidents per 1,000). The Navy's leadership initiatives emphasizing good order and discipline as well as "pride and professionalism" are having a positive effect on reducing desertion.

F. Women in the Navy

1. *General.*—Fiscal year 1981 was a very successful year for women in the Navy. We were able to recruit both the quantity and quality of women needed, and, even more importantly, attrition and retention both improved. Opportunities for women continued to expand and actions were taken to enhance their career paths. During fiscal year 1981, the first women were selected and commissioned as Limited Duty Officers, including one woman who will become a pilot. Also, women assigned to aircraft patrol squadrons deployed during the summer of 1981 to Diego Garcia; in April 1982, women will be permanently assigned to the island. Overall, women continued to contribute to the operational effectiveness of the Navy by skillfully and confidently performing their duties both at sea and ashore.

2. *Actual/projected end strength.*—(a) *Enlisted.*—During fiscal year 1981 enlisted women's end strength rose from 29,806 to 34,348, an increase of 4,542 women. As a proportion of the total enlisted force on active duty, women increased from 6.5 percent to 7.3 percent. The projected fiscal year 1983 strength will increase the percentage to 7.8 percent.

ENLISTED WOMEN'S END STRENGTH

[By fiscal years]

	1980	1981	1982	1983
End strength	29,806	34,348	36,672	40,027
Percent of active enlisted force	6.5	7.3	7.6	7.8

Three positive trends were noted for enlisted women in fiscal year 1981. First, the paygrade structure made a small but significant shift upward. The rapid increase in the number of women in the Navy combined with the time-in-grade requirements for promotion has resulted in enlisted women being a very junior force, i.e., at the end of fiscal year 1980, 55 percent were E3 and below, 40 percent were E4–E5 and 5 percent were E6 and above. By the end of fiscal year 1981, however, the pyramid had shifted upward as the percentage of women in paygrades E3 and below decreased by 4 percent, while the percentages at E4–E5 and E6–E9 increased by 3 percent and 1 percent respectively. The second positive trend was that at 10.3 percent, women's first-term attrition was slightly lower than the men's 10.5 percen first-term attrition rate. Lastly, women's retention improved significantly with the first-term rate up 6 percent from 25 percent to 31 percent and career retention up 10 percent from 53 percent to 63 percent. This improved retention enabled the Navy to exceed its fiscal year 1981 end strength projection for enlisted women by 743.

Our projections continue to show that the Navy can effectively utilize 45,000 enlisted women without an adverse impact on sea/shore rotation and still provide a viable career path and upward mobility for women. In order to reach the 45,000 level, however, at least 31 percent of the enlisted women must be in non-traditional skills. At the end of fiscal year 1981, 22 percent of all enlisted women were in non-traditional occupations, and while the number in this category increased by 1,241 during the past fiscal year, the percentage remained at 22 percent. Thus, while we continue to project that we will reach the 45,000 goal in fiscal year 1985, our efforts will be focused on increasing the proportion of women in non-traditional skills.

b. *Officers.*—The number of women officers in the Navy increased by 468 in fiscal year 1981 from 4,877 to 5,345. As a perecntage of the total officer crops, women increased from 7.7 percent to 8.1 percent.

WOMEN OFFICER END STRENGTH

[By fiscal years]

	1980	1981	1982	1983
End strength	4,877	5,345	5,680	5,946
Percent of all officers	7.7	8.1	8.5	8.5

Except for the Nurse Corps, the number of women in all officer communities increased. The majority of the expansion occurred in the General Unrestricted Line with an increase of 233 women officers, but growth also was evident in the warfare communities, i.e., Surface Warfare increased by 47 women, Aviation Warfare (pilots) by 12, Naval Flight Officers by 16, and Special Operations by 3.

The retention rate for women officers was very impressive for fiscal year 1981. Overall retention for women increased by 25 percent from 42 percent to 67 percent. With this level of retention, we expect to have little or no difficulty in reaching our goal of 6,400 women officers by fiscal year 1985.

Several actions were taken during fiscal year 1981 to enhance the opportunities and career paths of women officers. The career progression for Surface Warfare women was reviewed and subsequently modified so that it more closely parallels that of their male counterparts. In aviation, the jet training pipeline was opened for direct entry by five women pilots per year and the number of women permitted to enter pilot training was increased from 15 per year in fiscal year 1981 to 20 in fiscal year 1982, 25 in fiscal year 1983, 30 in fiscal year 1984 and 35 in fiscal year 1985. Also, the number of women officers in the General Unrestricted Line who are in commanding officer billets increased during 1981 from 15 to 25. These women were serving in a variety of activities, including recruiting, training, personnel and automated data processing.

3. *Women in ships program.*—The number of women assigned to sea duty continued to move up steadily. By the end of fiscal year 1981, 150 officers were aboard 29 ships and 1,458 enlisted women were aboard 17 of those same ships. This was an increase over fiscal year 1980 of 30 women and two ships for the officers and 764 women and seven ships for the enlisted. In addition to the 98 women Surface Warfare and Special Operations officers serving in ships, 52 women were assigned to sea duty as follows: 15 doctors, 5 dentists, 1 Medical Service Corps officer, 2 chaplains, 1 geophysicist, 3 engineers and 25 Supply Corps officers. Enlisted women served across the full spectrum of shipboard occupations, including the deck force and the repair department.

Women continued to perform in a superb manner aboard ship. Among the "firsts" for women were: qualification as an Officer of the Deck (Underway) of an aircraft carrier (the training carrier USS *Lexington*; carrier qualification in a jet aircraft; and qualification as an Enlisted Surface Warfare Specialist. Also, women continued to be assigned to ships which regularly deployed to the Indian Ocean, Western Pacific, and the Mediterranean.

Given the success of the program and Navy manning needs, the planned expansion of the women in ships program will continue. Our fiscal year 1982 plan calls for 169 officers to be aboard 30 ships and 2,719 enlisted women to be serving in 22 of those same ships. We also anticipate having at least 5,000 enlisted women and 190 officers aboard about 30 to 35 ships by the end of fiscal year 1985. A year by year breakdown follows:

WOMEN IN SHIPS

[By fiscal years]

	1979	1980	1981	1982	1983	1984	1985
Ships	14	27	29	31	31	31	31
Officers	53	120	150	169	180	185	190
Ships	5	10	17	22	24	25	25
Enlisted	357	894	1,458	2,719	3,171	4,157	4,994

IV. LEGISLATION

A. General

The action of the 96th and 97th Congress in providing a wide range of legislative improvements has effectively returned military compensation to roughly the pay comparability levels set in 1972 at the beginning of the All-Volunteer Force. The Navy's manpower and readiness goals for meeting the requirements of the larger fleet of the future depend on maintaining an adequate and healthy compensation system.

In the long term this entails: Maintaining pay at competitive levels; providing periodic adjustments to special and incentive pays to guard against erosion by inflation, and, providing sufficient travel reimbursements for government directed relocations.

The following paragraphs discuss these compensation and noncompensation initiatives which are of near-term interest.

B. Compensation initiatives

Enlistment and Reenlistment Bonuses.—The authority to pay enlistment and reenlistment bonuses expires on 30 September 1982. Extension of this authority is considered essential.

Aviation Officer Continuation Pay (AOCP).—As mentioned previously, ACOP has proven to be an extrodinarily cost effective means of alleviating our midgrade aviation officer shortfall. However, it will take several years of continued strong retention before our aviation officer deficit is erased. Accordingly, extension of the AOCP authority beyond the September 30, 1982, expiration date is necessary.

Quarters Reimbursement During Overhaul.—Authority to reimburse members for quarters expense when their ship is uninhabitable during overhaul and no government quarters are available was initially provided on October 1, 1980, and subsequently extended until September 30, 1982. Although the extent to which this authority is used has decreased with the increase in berthing barge spaces and will decrease further in the future, there will always be a need to reimburse personnel at overhaul sites where no government quarters or berthing barges are available. To provide for this requirement, Navy strongly urges that this authority be extended and made permanent.

Special Pay for Recruiting Duty.—Being a recruiter is one of the most arduous and challenging of military assignments; one which requires long working hours and extensive travel away from home and family. In order to continue to meet the highly competitive and difficult recruiting environment now and in the future, the Navy sees the need for a special incentive pay to attract and retain highly qualified and motivated volunteers for recruiting duty.

Dental Care for Dependents.—The addition of dependent dental coverage under (CHAMPUS) would provide an important addition to the compensation of the military member. It would provide a benefit package which is competitive with that offered by an increasing number of civilian firms, thus enhancing military service as a career. Additionally, it will contribute to the reduction of dental disease and defects which are a major health problem in the military community.

Other compensation items which do not require authorizing legislation, but which are included in the fiscal year 1983 budget request are: An update of the mileage allowance in lieu of transportation (MALT) for members on PCS travel from $.13 to $.16 per mile, increase of dependent mileage rates to reflect added transportation costs; an increase in household goods weight allowance for members who currently have an inadequate allowance and are charged for excessive weight on PCS moves; and payment of Basic Allowance for Subsistence for E-5 and above careerists.

C. Noncompensation initiatives

The following legislative initiatives are of particular importance from a personnel management standpoint and would enhance the Navy's ability to administrate and man a growing Navy.

GI Bill Termination Date.—As the December 31, 1989, termination date for use of the GI bill draws closer, the Services are losing experienced people who choose to leave active duty to use their earned educational benefits. Over 250,000 Navy members currently on active duty are eligible for GI bill educational benefits. Of these, about 195,000 are in the critical retention window of 5 to 14 years of service. The requirement that these individuals leave the service early in order to use these benefits is not only detrimental to the Services' priority retention programs, but unduly penalizes those who serve their country in a military career. It is therefore most strongly recommended that the termination date be extended to provide a servicemember with 10 years after discharge or release from active duty in which to use his earned benefits.

Flag and General Officer Legislation.—The ceiling of 1,073 flag and general officers that went into effect on October 1, 1981, has created difficulties with regard to the promotion and assignment of Navy Flag officers. Navy concurs in the need to provide a uniform basis in law for the control of general and flag officer strengths. Proposed legislation to accomplish this will shortly be forwarded to Congress. However, during the period in which this comprehensive legislation proposal is being considered by the Congress, interim relief from the imposed ceiling is necessary. Accordingly, Navy urges early passage of pending legislation.

End Strength Flexibility.—Currently, "Active Duty Personnel" is the only category of personnel for which no end strength flexibility is provided.

An inflexible, one day (September 30 of each year) ceiling on active duty personnel causes many problems for the military departments in the management of the personnel force. The statutory requirement to meet that active duty military end strength on one day of the year often dictates inefficient management practices, particularly in a period of force growth.

There are uncertainties inherent in military personnel management, such as unpredicted reenlistments and extensions which are not always offset by separations and retirements. The need to delay accessions until after a fixed September 30 end strength count may underutilize the training establishment, result in significant skill shortages and may delay the scheduled fielding and support of new systems with trained personnel. The requirement to meet a one day ceiling could also force the premature loss of the experienced personnel needed in a growing or modernizing force. Legislative authority to provide this needed flexibility in end strength is included in the proposed fiscal year 1983 authorization bill and passage of this provision is strongly recommended.

V. TRAINING AND EDUCATION

A. General

The maintenance and employment of effective training resources remain essential elements in maintaining fleet readiness. As we expand the Navy, the performance of our various training facilities will become even more critical as they respond to new technology and confront increases in student loading. To compensate for our current shortage of experienced mid-grade petty officers, we have emphasized improving our training programs and curricula wherever possible. These efforts will enhance the quality, productivity, and combat readiness of our trainees as they report to fleet units for duty.

B. Recruit training

To continue meeting the challenge of transitioning an individual from civilian to military life, the recruit training curriculum has been revised to emphasize its military components in general and good order and discipline in particular. There has been an increase in military and physical drill under arms, company commander's counseling time, seamanship training, and training in the wear and care of the uniform. These adjustments, coupled with closer scrutiny in selecting company officers, have made recruit training more challenging and have brought recruits' expectations more in line with Navy goals. Consequently, a more disciplined and motivated sailor is entering the fleet.

C. Specialized skill training

Today's Navy, more than ever, requires highly trained personnel. Seventy percent of our recruit graduates receive additional training addressing the specific skills required for a particular rating. The other thirty percent receive four weeks of apprentice training. To assist us in acquiring a better qualified recruit graduate, we have implemented some special programs. The Academic Remediation Training (ART), Job Oriented Basic Skills (JOBS), and Integrated Training Brigade (ITB) are significant programs related to recruit and follow-on training which have proven valuable.

ART.—Three to five weeks of remedial training in reading and studying skills are provided to those recruits testing below a standardized sixth grade level. During fiscal year 1981, about 90 percent of the 3,109 students receiving ART ultimately graduated from recruit training. This compares with a 62-percent completion rate for personnel with comparable reading levels prior to implementation of ART.

JOBS.—This program provides non-"A" school (technical training) eligible recruits with the technical skills required to meet entrance requirements for "A" school. Those attending JOBS realized a 75-percent "A" school completion rate (compared to about 85 percent for all others)—providing the Navy with 875 more "A" school graduates during fiscal year 1981.

ITB.—Providing additional supervision and emphasizing military smartness at "A" school technical training at San Diego, Great Lakes, and Memphis in fiscal year 1980 was so effective in improving the military environment and morale, as well as reducing discipline and attrition problems that it was expanded to 10 additional "A" school training sites in fiscal year 1981. In fiscal year 1981 the three initial sites realized a 15-percent attrition decline, a 14-percent reduction in courts martial, and a 40-percent reduction in vandalism cases following implementation of the Integrated Training Brigade concept. It is expected that all sites will benefit similarly in the forthcoming year.

D. Enlisted training program

During fiscal year 1981 we developed two special training programs to meet the specific needs of our enlisted personnel as they progress through the rank structure. The Senior Enlisted Academy (SEA) and the E-4 Petty Officer Indoctrination Course help prepare individuals to meet the challenge and uniqueness of their new respective roles.

SEA.—The 9-week SEA course provides E-8 and E-9 Navy enlisted personnel with the high level of professional enlisted military education required of these particular rates. Upon full implementation, a total of 60 students per class, including 10 students from other services, will study five major areas of concentration: Communication Skills, National Security Affairs, Management of Navy Resources, Leadership and Management, and Navy-wide Topics (e.g., Command Master Chief Program, Master Chief Petty Officer of the Navy/CNO Advisory Panel, and CNO Objective Program). With this increased emphasis on professional military education, I believe our senior petty officers will improve their contribution to overall fleet readiness and morale. The SEA, located at the Naval Education and Training Center in Newport, R.I., commenced the first pilot course in September 1981 with full implementation to take place in March 1982. Ultimately, four classes will convene each year.

E-4 Petty Officer Indoctrination Course.—A mandatory course was implemented in October 1981 to provide newly-rated E-4's with the leadership skills required to function more effectively as petty officers. The 22-hour course is administered either "on-board" or at a common location ashore for one or more commands. All commands have been provided student journals and instructor guides and the course has been extremely well received throughout the fleet.

We are now exploring the possibility of providing newly-promoted Chief Petty Officers (E-7) with a short course of instruction to assist them in their transition to senior petty officer status.

E. Training backlog contracting instructors

The Navy experienced a backlog of enlisted personnel awaiting instruction (AI) in initial skill training throughout fiscal year 1981. As of September 1981 the backlog of personnel was 4,677. A steady state operating level of 2,950 is the near term goal. This operating level has been determined to be "the cost of doing business" and includes an unavoidable number of students in a medical, dental, legal, administrative and security clearance status. It also includes the minimum number of students to ensure optimum student pipeline flow, i.e., the "class up" for prescribed number of students per class.

We have taken several corrective actions to man training command instructor billets to meet ideal student flow. In fiscal year 1981 Navy utilized 556 civilian contractor instructors and in fiscal year 1982 intends to employ 662 civilian contractor personnel. Additional actions include:

Increasing the priority of manning instructor billets.

Using recalled reservists as instructors.

Extending instructor tours on a selective basis.

Implementing several Training Command internal school house actions (e.g., extra shifts, selective leave, and curriculum adjustments).

The results of our efforts thus far are very encouraging. By February 1, 1982, the personnel backlog was reduced to 505 personnel in excess of operating level, a 1,222 improvement from September 30, 1981. Our goal is to reach the steady state operating level by July 1, 1982. We believe this is achievable.

F. Flight training

During fiscal year 1981 Naval Air Training Command instructor billets continued to be manned at nearly 100 percent. Enlisted manning improved markedly throughout the year to its current high level. A Pilot Training Rate (PTR) resulting in 893 pilots designated out of a programed 897. Continued attainment of PTR remains a critical part of Navy's programed recovery from its mid-grade pilot shortage.

G. Officer professional development education

Because of the increasing complex technological and operational environment in which the Navy must operate, a strong officer professional development program continues to be a prudent investment. Professional development includes proficiency required in warfare specific fields as well as the requisite knowledge which enables officers to function effectively in associated technical and managerial areas. The Navy's professional development education program provides professional military education at service colleges and/or graduate education at the Naval Postgraduate School and selected civilian and DOD institutions. Officers must qualify for these programs on the basis of performance and experience.

Fully-funded graduate education is provided to a limited number of officers who will fill positions which have been carefully reviewed and determined to require graduate-level skills for performance. Input to this program was reduced significantly in the early 1970's because of Congressional reductions and the Navy's severe shortage of middle-grade officers. Because of those reductions, the Navy now faces an inventory of graduate-educated officers that is both shrinking (attrition without replacement) and aging (promotion without replacement). Since 1978, moderate increases in annual input have been supported to a current level of 600. In fiscal year 1983, a further increase to 700 is planned to further narrow the gap between inventory and requirements for officers with graduate degrees.

Professional military education is provided through the Naval War College, National Defense University, and service colleges of other Services and allied nations. Navy policy continues to be for 30–35 percent of all URL captains (O–6s) to be graduates of a senior service college (e.g., War College) and 25–35 percent of URL lieutenant commanders (O–4s) to be graduates of an intermediate service college (e.g., Command and Staff College). For fiscal year 1983, input is programed for 150 officers to senior service college and 215 to intermediate service college.

Military Construction (MILCON) for Traininng Requirements.—As a result of widespread innovative and technological advances, increased training requirements, and a growing fleet the mission of the Navy's training command to support the fleet becomes even more critical. As training requirements grow, so does the need for expanded, improved facilities. Regrettably, facilities have not been replaced at an acceptable rate. Too much of our training is accomplished in obsolete structures which require yearly increases in maintenance and repair funding so that training can be adequately provided.

Navy training command real property assets total nearly $5.8 billion. Seventeen percent of those facilities are overage. The fiscal year 1983 budget request has $51 million programed in order to upgrade and replace current facilities; $680 million more will be needed over the next 5 years. Our training command faces a continued, long term degradation of capability unless these funds are provided.

VI. PERSONNEL DEVELOPMENT PROGRAMS

A. Navy volunteer education program

The Navy Voluntary Education Program is entitled Navy Campus and includes several programs which enable Navy men and women to pursue their educational goals. Attainment of a high school diploma, improvement of basic verbal and math competencies, college level courses both ashore and afloat, and the tuition assistance program all fall under the Navy Campus umbrella. Enrollment grew to 104,000 or roughly 20 percent of all Navy personnel, in fiscal year 1981.

One of the fastest growing programs in Navy Campus in fiscal year 1981 was the Functional Skills Program. With approval of the commanding officer, service members are able to take up to 45 hours of instruction in reading, mathematical computation, and English grammar/composition during duty periods. In fiscal year 1981 there were 25,000 Navy enrollments in this program. Enrollments were almost equally divided between ashore and afloat personnel

(12,000 enrollments afloat and 13,000 enrollments ashore). Six thousand of the ashore enrollments were recruits awaiting instruction at on of the Navy's technical or "A" schools. These were individuals whose test scores were such that participation in a functional skills course would significantly enhance their ability to succeed in "A" school. The Functional Skills Program has received growing support from the Fleet because, by helping personnel improve their basic skills, work effectiveness is also improved. The Program for Afloat College Education (PACE) is the major means by which personnel can pursue either college level or vocational/technical courses while deployed. There were 31,500 participants in PACE programs in fiscal year 1981. During this period, the Navy began a pilot project to determine whether or not courses at sea might be delivered by video cassettes and/or interactive computer. This could particularly benefit smaller ships where it it not always possible to have a civilian instructor aboard and would thus enable the Navy to increase the number of ships offering educational programs.

The Navy Campus operated an extensive on-base off duty education program. Voluntary education courses are offered on 99 Navy installations world-wide. Ashore participation has expanded during fiscal year 1981 with the Congressional authorization of an increase in tuition assistance from 75 percent to 90 percent for those in pay grades E-5 to E-9 with less than 14 years of service. This has resulted in greater draw upon tuition assistance funds (from 39,954 participants in fiscal year 1980 to 44,005 in fiscal year 1981) particularly as the number of personnel holding GI Bill benefits becomes smaller. Many of the fiscal year 1981 tuition assistance applicants had never participated in voluntary education programs before and over 65 percent had from 5 to 15 years of service.

The growth in Navy Campus participation suggests that Navy personnel are increasingly cognizant of educational opportunities and will participate in greater numbers in fiscal year 1982.

B. Human resource management support system

1. *Quality of Life Issues/Programs.*—Our recent experience is that increasing numbers of Navy personnel are making career decisions based on family issues and the quality of their service life. In order to offset the hardships indigenous to Navy life, it is necessary that we maintain a quality of life equivalent to that of the society we expect our personnel to protect. This is accomplished through improving existing programs as well as initiating new courses of action to help overcome some of the negative aspects of military life. Major programs designed to improve the quality of life of Navy members and their families are:

(a) *Family Service Centers.*—Since 1960 the percentage of married military personnel has increased from 30 percent to 55 percent, and in today's Navy, more than 80 percent of our careerists are married. Earlier studies and the most recent Navywide survey of Navy personnel strongly indicate that the spouse's attitude/opinion is most significant in the decision of the active duty member to remain in or get out of the Navy. In addition to the normal" rigors of military life—frequent moves, long duty hours, etc.—Navy families are subject to recurrent periods of long separation due to deployments. At any one time over 80,000 Navy members are deployed, resulting in thousands of temporary single parent families. The Navy has, however, long recognized the importance of its families. This concern has led to the development of Navy Family Service Centers (FSCs).

A Navy Family Service Center is a place where Navy service-members and Navy family members can obtain reliable information and assistance on a wide range of matters of concern to them. Although FSCs vary somewhat in the services they provide, each Navy Family Service Center has the same four overall goals:

To serve as a focal point for existing Navy family support/assistance programs and bring about a closer and more effective coordination among them

To provide information and referral on all relevant existing family-related programs/services/resources, both military and civilian

To support the Navy's command-sponsored efforts such as Ombudsmen, wives' organizations, sponsor program, pre-deployment briefings, etc., and

To provide selected services which are not available or accessible to the civilian community.

Each local FSC determines what support services it will provide directly to its Navy constituents. The FSC conducts an assessment of available (and feasibly accessable) existing local resources and an assessment of unmet needs as perceived by the local Navy population.

At this time 22 FSCs have been funded, while 20 additional Centers are scheduled for fiscal year 1983 and 20 more in fiscal year 1984. When on line and operational, these 62 FSCs will cover every large Navy shore activity, every major overseas activity, and every activity with more than 1,000 servicemembers or 500 families—in sum, 85 percent of all active duty personnel. Clearly, FSC's are filling a need. Information indicates that large FSCs are handling thousands of requests for assistance each year from single personnel, married personnel and dependents alike.

(b) *Child Care Centers.*—The Navy is strongly committed to meeting the unique needs of its working parents by providing essential child care services. There are increasing numbers of both single parents and dual military couples. Civilian child care centers cannot generally meet the needs of Navy families because of inaccessibility, high charges, limited or no drop-in service, no infant care services, and the transient nature of military life. Infant care in particular is vital, since 60,000 Navy families have children under the age of three. It is particularly noteworthy that family awareness conferences have identified adequate child care facilities and services as a top priority.

Beginning in fiscal year 1981 and continuing in the out-years, Navy programed an increase in appropriated funds to upgrade the present 73 facilities and to hire at least one professional director for each center. The upgrading process involves bringing the present 73 child care structures up to acceptable health, fire, and safety standards. The majority of the present buildings are of World War II vintage and made of wood. Funds have also been programed to construct new centers where demand is the greatest or where the present structures are beyond repair.

c. *Unaccompanied Personnel Housing (UPH).*—The large shortage of adequate quarters for Navy unaccompanied personnel, primarily junior enlisted, persists. Reduction of this shortage, which is estimated to be about 55,000 spaces, is a major goal of the Chief of Naval Operations.

In fiscal year 1983 Navy is continuing the emphasis on upgrading the living conditions of our single members who live ashore. The budget request for $58.2 million includes projects for the construction of new quarters and modernization of older facilities, as well as necessary initial outfitting or replacement of equipment and furnishings. The fiscal year 1983 program will furnish us with approximately 2,600 new spaces. Although this is only about half the new spaces in the fiscal year 1982 program, we are still ahead of fiscal years 1976–1980 levels which averaged only $25 million per year.

The most crucial Navy unaccompanied personnel housing needs continue to be experienced in areas where housing is costly or scarce; in areas of high transient or student populations, and in shipyards where vessels become uninhabitable during overhaul. It is because of this housing deficit at overhaul sites that I strongly urge that the authority to reimburse personnel for quarters when their ship becomes uninhabitable during overhaul be made permanent.

The Navy is also requesting funds to implement the OSD directed transient quarters service charge fee for our unaccompanied enlisted travelers. These funds will pay for housekeeping services in the travelers' rooms and for items such as towels, soap, drinking glass, curtains and other usual amenities.

d. *Morale, welfare and recreation (MWR).*—High level emphasis continues for these programs which Navy considers a very tangible and visible element of our efforts to improve the quality of Navy life.

Adequate appropriated support is now the primary focus in the upgrading of Navy MWR programs. The Congress has consistently recognized that the government has a significant financial responsibility for these programs in lieu of the sailor having to finance them entirely out of his or her own pocket. To this end, the Department of Defense and Navy have issued detailed policy guidance with respect to those MWR program areas where appropriated fund support should be provided. Generally, resale activities such as exchange operations are to be supported primarily from patron revenues while nonresale activities such as general recreation and athletic programs are authorized more appropriated support.

Accordingly, beginning in fiscal year 1981 Navy programed increased appropriated resources with the objective of supporting MWR programs with appropriated funding to the maximum extent that is authorized within DOD and Navy policy. Our goal is to insure a fair and equitable sharing of support between the government and the Navy patron.

The increased emphasis on this program has produced some favorable results. From fiscal year 1981 to fiscal year 1983, there has been a $33M increase in appropriated funding for MWR programs. A large portion of this increase is being applied to recreation programs to upgrade facilities and equipment with priority being given to overseas and isolated locations.

2. *Equal opportunity.*—The Equal Opportunity Program in the Navy is intended to improve human relations and in the process create an environment where each person can contribute to the full extent of his capability. To carry out its mission, it is imperative that the Navy be ready and able to perform at the absolute limit of its potential. Any denial of equal opportunity will limit this ability to fully use all Navy personel, with a resultant degradation to Navy readiness. Equal Opportunity in the Navy can only occur as a result of policies and programs that provide consistent upward and lateral mobility for all personnel without regard to color, race, creed, sex, or national origin. It is to this end that Navy's equal opportunity revitalization effort is striving. As a first step the Navy has recently implemented a new Affirmative Action Plan that identifies specific action desired, responsible commands, and associated costs. An automated data processing system is in the development phase to track actions in this plan, assess progress and track discrimination complaints. The end result is a dynamic program that can monitor and assess equal opportunity within the Navy, identify new issues or problems, and promulgate new programs and strategies to correct them.

3. *Drug/Alcohol Abuse.*—As a result of Navy and DOD surveys which indicated significant drug abuse by Navy members, the Chief of Naval Operations directed that an all-out anti-drug abuse campaign be launched. The basic policy premise is zero-tolerance of drug abuse of any kind. To implement this policy we developed a program based on the following major elements:

Increased emphasis on detection and deterrence of illegal drug possession, use or trafficking.

Intensified education and training efforts aimed at all levels of the command structure to help prevent drug abuse.

Restructured treatment and rehabilitation of identified drug abusers, placing greater emphasis on local level intervention.

Improved assessment and evaluation of all aspects of the drug problem and the effectiveness of drug abuse control program.

Among the specific initiatives to implement our policies are:

Acceleration of previously approved measures including more portable urinalysis equipment and drug detector dogs.

Detailed messages on the "get tough" policy which clearly reflect the serious concern about the extent of the drug problem by the Navy's senior leadership.

Flag Officer Seminars in December 1981 to ensure a unified attack on the drug problem.

Establishment of four new forensic drug analysis laboratories under the cognizance of the Naval Investigative Service to improve the processing of physical evidence needed to prosecute drug cases.

The Navy is also working closely with the Office of Drug and Alcohol Prevention in the Office of the Secretary of Defense to bring about needed changes in such areas as enlisted separation directives, postal inspection regulations and DOD drug screening laboratories.

While estimates vary on the severity of the alcohol abuse problem within the Navy, studies show that 9 percent to 10 percent of our personnel are affected by alcoholism. The age group experiencing the most problems is the 18 to 25 group (E-1 through E-5). Our primary alcohol abuse prevention is the highly successful Navy Alcohol Safety Action Program (NASAP). This program now reaches an average of 2,200 individuals per month who have had behavioral, medical or disciplinary problems as result of drinking. Our follow-up surveys indicate that over 90 percent of those who complete the 36-hour NASAP course do not become disciplinary repeaters due to alcohol abuse. There are currently 28 NASAP sites located around the world. Due to the success of NASAP, a parallel Navy Drug Safety Action Program (NDSAP) is being established at 25 additional sites in fiscal year 1982.

4. *Leadership and Command Effectiveness.*—(a) *General.*—The relationship between individal leadership and the organizational effectiveness of individual Navy commands is addressed through two mechanisms. One is the Leadership and Management Education and Training program focused on the individual. The other is the network of several Human Resource Management Centers used to provide consulting assistance to commands. Together they represent an in-place, working program to directly influence unit cohesion.

(b) *Leadership and Management Education and Training (LMET).*—LMET is the Navy's standardized training program to teach basic, job-relevant leadership and management skills to officers and petty officers. It is centrally managed and systematically designed to permit the Navy to direct control and influence the leadership and management skill levels of our leaders, managers and supervisors during their careers. Since its inception in 1978, over 44,000 Navy men and women have received this training. Graduates will increase to approximately 30,000 annually in fiscal year 1983 and beyond. Attendees include all prospective commanding officers, all enlisted personnel (E-5 through E-9) who are enroute to fleet assignments, and all officers (O-1 through O-6) enroute to key billets in the fleets. During fiscal year 1982, instructors at the Naval Academy and officers in NROTC and Officer Candidate School billets will attend.

Development of LMET for the Naval Reserve is also planned to commence in fiscal year 1983. A study completed a year ago showed 92 percent of LMET graduates enthusiastically endorsed the course. Efforts to devise methods to conduct substantive evaluation are continuing with the Navy Personnel Research and Development Center (NPRDC), the Naval Audit Services Management Consulting Division, and a contractor specializing in evaluation technology.

(c) *Human Resources Management Centers.*—The Human Resource Management Centers (HRMC) are operated by the fleet commanders-in-chief to assist individual ships, squadrons, staffs, and commands by providing a wide variety of consultive services. Originally focused on equal opportunity activity and drug and alcohol abuse education, the HRMCs have had to respond to the additional needs of commands for workshops on work group productivity, team building, goal setting, communication and morale. While certain HRMC programs have been mandatory for commands in the past, the large majority of commanding officers have come to value these services in support of their command responsibilities.

C. Brigs and correctional custody units (CCU's)

Navy concern regarding the proper operation and administration of both Brigs and CCU's resulted in a study group evaluating these facilities Navy-wide. This group finding resulted in the following actions:

Publication of new manuals which provide Navy-wide standardization of:

Staffing and staff training procedures.

Prisoner training and rehabilitation programs.

Physical training.

Confinement physicals.

Revised staff selection procedures to insure only the best qualified are assigned to this demanding duty.

Development of a long term Facilities Plan that will result in the rehabilitation, construction and expansion of facilities to meet our requirements.

From these initiatives the Navy expects a more professional, productive and cost-effective rehabilitation program.

VII. MANAGEMENT INFORMATION SUPPORT

Navy manpower, personnel, and training (MPT) managers can do the job of supporting Navy commands much more effectively with better management information. The Manpower, Personnel and Training Information Systems (MAPTIS) Program provides ADP systems designed to supply the information requirements of those who manage the Navy's most valuable asset, its personnel. Our goal in this regard is to provide the information support vital to MPT managers in meeting the principal challenge of maintaining the right numbers and types of people to man our growing Navy. We will improve personnel utilization and staff managerial productivity through the provision of timely, quality information essential to recruiting, training, distribution, and retaining Navy Total Force personnel.

Our strategy for improving information support is to take the power of the computer out of the hands of the ADP professional and put it into the hands of the MPT functional manager. In doing this, we must decentralize and distribute the processing capability while centrally controlling data, telecommunications, and software development and maintenance.

To properly serve MPT managers, a balanced mix of distributed data processing and centralized processing must be created. The Personnel and Pay (PERSPAY) project will establish a central consolidated processing site for the Navy's personnel and pay systems in the existing Isaac Kidd Computer Center in Cleveland, Ohio. This concentrated computer power will provide continuity and integrity for a centralized data base. From this site telecommunications networks will radiate, providing MPT managers with rapid access to necessary management information.

Throughout the Navy, increasing emphasis is being placed on data as a corporate resource. Our Data Resource Management (DRM) Program is charged with the central control of Navy MPT data.

Central coordination of the development and maintenance of software is essential to efficiently enhance the functional manager's access to computer power. Managers in the MAPTIS Program are developing two Navy-wide standard information systems to collect, process, and provide management information on all Navy military and civilian personnel. These are the Pay and Personnel Administrative Support System/Source Data System (PASS/SDS) and the Navy Automated Civilian Management Information System (NACMIS). These systems will provide MPT managers with a more timely, error-free method of reporting information between field activities and headquarters, thus insuring that all managers throughout the Navy are relying on a single source for MPT information. Rapid access to quality management information will give Navy MPT managers the tools they need to man our growing Navy with the right mix of highly qualified personnel.

VIII. NAVAL RESERVE ISSUES

As we program our Selected Reserves to more effectively support a growing Navy, there have been several notable areas of achievement associated with manpower, personnel and training.

First, in the manpower area, the Navy's Manpower Mobilization System (NAMMOS), which identifies our Selected Reserve requirement, has been endorsed by the Department of Defense. The previous disagreements over the nature of these requirements had been a major issue that was the basis for the dramatic reductions proposed for the Navy's Selected Reserve in the mid-seventies.

Second, in the personnel area, we are currently increasing the size of the Navy's Selected Reserve to more closely match our requirements. As noted earlier, we are requesting an average strength increase of 3,140 over the average strength we had previously expected we could attain this year while continuing to improve the match between the specific requirements of each billet and the capabilities of the assigned Selected Reservist.

Third, as mentioned earlier, in order to help off-set the Navy's active duty petty officer shortfall, considerable emphasis has been placed on the recruiting of Navy veterans from the Naval Reserve for recall to active duty. These efforts have resulted in the voluntary recall of over 2000 Naval Reservists since the beginning of fiscal year 1981.

In order to further increase utilization of Naval Reservists in support of the active forces, a number of shorter term recall programs have been employed. The response has been modest. A 2-year voluntary recall for sea duty assignment has attracted approximately 400 additional petty officers over the past 2 years. Sixty-seven Naval Reserve petty officers have been recalled on temporary active duty (TEMACDU) to temporarily fill critical instructor vacancies at major training centers. An even shorter term (length of deployment) recall pilot program has also been conducted resulting in the short term recall of 32 petty officers. An evaluation of all aspects of this program will be completed upon the pilot ship's (USS HECTOR (AR7)) return from deployment in the spring of 1982.

The TAR enlisted program is being expanded to include surface ratings for assignment to the FFs and supporting SIMAs as these ships are transferred to the NRF. The primary source for these TAR accessions (which will off-set USN requirements) will be the Naval Reserve.

A recent revision has been approved to the Navy's age criteria for enlisted Reservists who are voluntarily recalled in a non-career active duty status. The revised policy will permit voluntary recall of Reservists, who are able to complete 20 qualifying year by age 60 for reserve retirement, even though they may not be able to meet active duty age criteria for transfer to the Fleet Reserve or active duty retirement. This policy revision will increase the number of Naval Reservists who are eligible for short term non-career recall programs.

Our present Reserve incentive programs are designed to improve the quality and strength levels of 38 critical ratings for mobilization. The Naval Reserve is currently participating in two programs. They are the Reenlistment Bonus which provides $1800 for a 6-year enlistment and $900 for a 3-year enlistment in the Selected Reserve, and the Selective Affiliation Bonus which provides $25 for each month of remaining obligated service for USN personnel who affiliate with the Selected Reserve program upon their release from active duty.

The Individual Ready Reserve (IRR) bonus program expired September 30, 1981. The Chief of Naval Operations has recently directed that an IRR Bonus of $100/quarter be investigated. This program would be specifically targeted to attain naval reservists in those ratings where the fleet is critically short.

Finally, we are requesting significant increases in Naval Reserve training directed at increasing both mobilization readiness and peacetime support to the active fleet. An increase of $5 million in funding for Weekend Away Training (WET) at mobilization sites and shipboard simulators will double the level of effort for fiscal year 1982. The $8 million increase requested for schools and special training will accommodate significant growth in exercise and mission support participation. An additional $3 million has also been requested to provide training for approximately 1,500 members of the Individual Ready Reserve (IRR).

Collectively, these initiatives represent substantial growth in Naval Reserve training and will enable our Reserve forces to move significantly closer to their readiness objectives.

IX. CIVILIAN MANPOWER CHANGES

A. General

As noted earlier, the Navy's civilian end strength request represents an essentially level program over the budget years with the fiscal year 1983 request of 299,935, representing an increase of 906 over the fiscal year 1982 level. Included in fiscal year 1983 request are increases for economies and efficiencies such as contracting out. I will discuss each of these areas in detail.

The following chart summarizes these changes:

NAVY CIVILIAN END STRENGTH

[By fiscal years]

	Total end strength			1982-83 change		
	1981	1982	1983	Net change	Program change	Economies, efficiencies
Total Navy	301,055	299,029	299,935	+906	+9,781	−8,875
Shipyards	71,724	72,196	76,335	+4,139	+5,057	−918
Air rework	24,753	23,823	24,616	+793	+930	−137
Supply	18,413	17,111	17,857	+746	+1,662	−916
Ordnance	18,674	18,758	18,966	+208	+487	−279
Net other	167,491	167,141	162,161	−4,980	+1,645	−6,625

B. Readiness increases

Civilian personnel are essential to the cost-effective acquisition of ships, planes and weapons system of an expanded fleet, and will perform much of the overhaul, maintenance and repair required to maintain, modernize, and increase the readiness rate of our existing fleet. Accordingly, the Navy has budgeted net programmatic civilian end strength increases of approximately 9,800 in fiscal year 1983 to provide this support. Before discussing the major areas where programmatic increases occur, I should point out that offsetting economies and efficiencies such as contracting out are applied throughout the Navy; hence, while I will identify the specific programmatic end strength increase for various groups of activities, it should be realized that the net total end strength increase for these activities will in many cases be smaller or may actually be a decrease because of projected offsetting savings from contracting. However, the major point is that through the combination of program increases and savings from economies we expect to get more work done and make a greater contribution to fleet readiness.

Specific programmatic end strength increases prior to contracting adjustments include a naval shipyard staffing increase of about 5,000 positions, which allow us to reduce the bow wave of ship overhaul deferrals to an operationally constrained level by the end of fiscal year 1983. Employment at naval air rework facilities will increase by about 900, which will permit further improvement in the aircraft readiness rate and largely eliminate the backlog of aircraft maintenance. Supply activity staffing will increase by about 1,700 to allow us to proceed with supply system modernization and provide quicker response to fleet needs. Increases of about 500 in ordance activities will facilitate weapons readiness. Other net programmatic adjustments of about 1,600 are primarily in such areas as industrial research, fleet activities, supervisor of shipbuilding, conversion and repair offices, and investigative activities.

C. Economies and efficiencies

The Navy strongly supports the Reagan administration's efforts to achieve significant economies and efficiencies throughout the Federal Government. This is especially critical within the Department of Defense where substantial increases in material readiness are required to meet our defense commitment. While the magnitude of those increases is such that a sizable increase in total defense spending is required, the Navy has a responsibility to constantly strive to insure that we obtain goods and services at the least cost to the taxpayer. The fiscal year 1983 budget reflects two such efforts which will impact civilian manpower levels and result in end strength savings of about 8,900 positions offsetting the programmatic increases.

Under the Commercial Activities (CA) program, the Navy is conducting cost studies of functions using OMB Circular A–76 procedures to determine whether those functions are most cost-effective when performed in-house or on contract. To date, results have been less that expected primarily due to lack of trained personnel to develop performance work statements and conduct cost studies. For instance, in the fiscal year 1982 President's Budget the Navy assumed cost-effective conversion of 10,300 civilian positions. In the fiscal year 1983 President's Budget, we have to restore 5,100 of those end strength temporarily in fiscal year 1982 pending completion of cost studies, leaving a net projected fiscal year 1982 end strength decrease of 5,200. In fiscal year 1983, we project cost-effective contracting of an additional 6,900 positions, including those deferred from fiscal year 1982. The cumulative end strength reduction through fiscal year 1983 is 12,100.

The Navy is taking aggressive action to improve accomplishment under the Commercial Activities program. Trained personnel are now providing required assistance in the review process, and we are concentrating on large functions where performance work statements are applicable and large payoffs possible. We are also working with the Office of the Secretary of Defense and Office of Management and Budget to develop streamlined cost comparison procedures which will facilitate the review procedures and minimize the administrative burden while permitting more accurate cost comparisons.

Our budget request also reflects the conversion of Navy commissary personnel to contract government employees who will be paid through the nonappropriated fund, which will receive appropriated fund reimbursement. The Navy believes that the budgeted conversion could provide major benefits, by providing the necessary service at a reduced cost, and thereby saving civilian end strength which can be reapplied to readiness-related areas.

Recently, the question of the impact of the conversion on nonappropriated fund support costs was raised. The Navy and Office of the Secretary of Defense staffs will conduct a cost-effectiveness survey and the conversion will not be implemented until the results of the review have been considered. Should nonappropriated fund support cost increases make the conversion economically infeasible, the Navy will request that the Secretary of Defense restore the appropriated fund end strength.

X. CIVILIAN PERSONNEL MANAGEMENT

A. General

Retaining a productive and motivated workforce is a critical challenge in meeting the requirement of a growing Navy. Civilians, who account for over one third of our total manpower are essential to readiness. Over one half of Navy's civilians are in Navy Industrial Fund activities such as naval shipyards, air rework facilities, and ordnance activities which perform essential maintenance and repair functions. In the non-industrial fund sector, civilians at fleet operating bases, research laboratories, supply activities and ship repair facilities perform similar functions essential to fleet operations. As managers, we must assure that our practices contribute to successful recruitment of quality civilian personnel and the retention of a trained and efficient civilian workforce. At present, although we have made progress, there remain issues which affect our capability to meet our manpower requirements in some occupational areas. I shall address the most significant of those concerns in the following section.

B. Compensation programs

The recent Congressional decision to raise the Federal pay ceiling provided welcome and necessary relief from the compensation problems that have been the primary cause of excessively high turn-over among the Navy's executive personnel during the past 2 years. This positive step should result in greater stability and improved morale of the executive work force. We are hopeful that we will continue to see progress in the civilian compensation area over the coming year since most of the Navy's problems which pertain to recruiting and retaining a well qualified civilian work force stem from inadequate compensation levels.

In the area of executive compensation, we will work to achieve responsive executive compensation programs through more effective use of the concept of pay for performance. The Congressional and Office of Personnel Management limitation of the past 2 years which restricted bonuses to 20 percent suppressed the positive effects that could have been achieved from the bonus system. Navy supports using monetary incentives, as the law intended, as a means to improve the morale of the executive work force by recognizing excellent performance whenever it is demonstrated.

In other occupational categories, we are still failing to recruit adequate numbers of entry level scientists and engineers because Federal salaries for these jobs average well below those in the private sector. Navy has forwarded a proposal to bridge this differential by authorizing payment of a recruitment incentive. We must resolve this recruitment problem or we will see long-range skill shortages that will have adverse impact on our ability to meet readiness requirements.

C. Performance programs

Over the past 2 years Navy has implemented three new systems which require that performance objectives be established as the basis for evaluating performance of the civilian employees. These systems, which are the Senior Executive System, Merit Pay System and Basic Performance Appraisal Plan provide Navy management with the capability to improve the motivation, and productivity of our civilian workforce. I am firmly committed to insuring that we establish meaningful performance objectives which directly contribute to mission requirements and which provide the civilian employees with a strong sense of professional pride.

SUMMARY

In summary, I am optimistic about our manpower and personnel situation today and in the immediate future. The compensation and personnel related legislation enacted by the last two sessions of Congress reversed the negative trends which had developed during the late seventies and reached crisis levels in 1979 and 1980. Today, virtually all our key indicators are moving in the right direction. However, if the Navy is to meet its manpower challenge of the eighties—manning a growing Navy with the right numbers and skill mix of officers and petty officers—this progress must continue. We cannot afford to let compensation levels fall behind comparable civilian levels or allow inflation to erode the value of our special and incentive pays. In this effort, the continued support of the Congress remains critical. The Navy is committed to maximizing the effectiveness of its most important resource—our dedicated men and women—and with the assistance of the Congress will provide the nation with a Navy second to none.

Senator JEPSEN. General Bronars, do you have an opening statement?

STATEMENT OF LT. GEN. EDWARD J. BRONARS, USMC, DEPUTY CHIEF OF STAFF FOR MANPOWER

General BRONARS. Yes, sir, Mr. Chairman. It is a privilege for me to appear before the subcommittee.

I just want to make six main points.

First, our manpower request for fiscal year 1983 represents an increase in end strength of about 2,500 active marines, about 700 Reserves, and 491 civilians. We need this growth to more capably and efficiently manage to provide the necessary readiness posture both in peacetime and in mobilization situations.

The second point I would like to make is that accompanying this increase in military strength is an increase in quality. Both of these I think can be attributed in large measure to the strong support that you and the other members of the subcommittee have given to needed enhancements in compensation and benefits.

I believe that the combination of military compensation, other benefits, and enlistment and reenlistment bonuses have achieved a relative competitiveness with the private sector. This has been key to our ability to attract and retain quality personnel. In my estimation, there are still some minor improvements that have to be made and your continued support will be required in this regard

My third point is just to reemphasize what Mr. Herrington said which is in overall context with our drive to retain and access quality personnel. The Commandant has initiated a very aggressive, a very comprehensive, and a very concentrated campaign to eliminate the illegal use of drugs in the Marine Corps. We feel we have the leadership, the discipline, and the commitment on the part of all marines to do that job and do it right.

The fourth point I want to make is that our success in reenlisting our trained, experienced marines has allowed us to significantly reduce the shortage that we had experienced in the past and, to a limited extent, continue to experience in noncommissioned officers and staff noncommissioned officers. It has also allowed us to improve our overall technical skill personnel inventories and to increase readiness throughout the force.

For this year, our reenlistment goal is 16,000. Our plan for fiscal year 1983 is 16,500. Our optimism is guarded, however, and we are closely watching to see if the installment method of payment of reenlistment bonuses will provide the necessary incentive to continue this very positive trend in our retention program.

The fifth point I would like to make is that we achieved 104 percent of our total force recruiting goal in fiscal year 1981, with over 80 percent high school diploma graduates and less than 13 percent falling in the mental group IV category.

Our strong emphasis on quality continues this year and the results for the first 5 months of this fiscal year indicate that further improvement in the overall quality profile of the corps will result.

My sixth and final point is that this increasing military strength and our strong emphasis on meeting skill requirements will necessitate minor increases in training support, training overhead, and student man-years. We feel that this investment is absolutely essential if we are to continue to reduce our skill shortages in critical areas and to meet our requirements as far as initial entry level skill training is concerned.

MARINE CORPS HEALTHY

So let me summarize simply by saying that the Marine Corps personnel situation is healthy. We are capable of meeting both our peacetime and our mobilization responsibilities, but we remain a lean mean, austere Marine Corps. I think that is what you want out of us. You want us to be ready to fight.

Our modestly increasing end strengths will allow us to improve our capabilities overall and maintain higher levels of personnel readiness. Recruiting and retention are going well both in terms of quality and quantity, and our skill and grade shortages are being reduced at a satisfactory rate. So, obviously, a lot has been achieved and I want to thank you, sir, and the other members of the subcommittee for the very major role you have played in that success.

Yet there are still some problems that we have to address and I think we all should be concerned about the inclination and the temptation to think that the actions taken last year have completed the job. These problems can be solved. To do so, we ask you to strongly support our request in this budget.

For our part, the Marine Corps will continue to maintain the highest standards of excellence and field the professional, highly-trained, superbly disciplined force in readiness that you expect.

That concludes my remarks. I would be glad to participate in answering any questions you have.

Senator JEPSEN. Thank you, General.

[The prepared statement of Lieutenant General Bronars follows:]

PREPARED STATEMENT OF LT. GEN. EDWARD J. BRONARS, U.S. MARINE CORPS, DEPUTY CHIEF OF STAFF FOR MANPOWER, HEADQUARTERS, U.S. MARINE CORPS

Mr. Chairman, distinguished members of the subcommittee: It is again a privilege for me to appear before you and present the Marine Corps manpower plan for fiscal year 1983. Our program calls for an increase in end strength of 2,500 active duty Marines over the fiscal year 1982 level, for a fiscal year 1983 end strength of 194,600. This increase will provide the additional manpower necessary to restore certain force capabilities, such as air defense and service support, that were placed in a cadre or reduced manning level status in past years because of manpower constraints; carry out capability enhancements in both the aviation and ground combat elements; increase overall manning of the active force to achieve improved readiness levels; meet growing requirements external to the Marine Corps; and provide for the training and administrative overhead needed to support an expanding force.

Accompanying this increase in strength is an increase in quality, both of which can be attributed in large measure to your past support for needed enhancements in compensation and other benefits. Military compensation is now at, or near, competitive levels with the private sector, and the results are apparent. That level of relative parity with the private sector has, in my estimation, been key to our success in attracting and retaining quality personnel. Future success depends on maintaining this relative position. This continued success in terms of quality is fundamentally important to maintaining the pride, esprit, discipline, professionalism and overall combat readiness that you and the American public expect from the U.S. Marine Corps. We intend to live up to those expectations.

As you know, the Commandant has initiated an aggressive, concentrated campaign to eliminate the use of illegal drugs in the Corps. The success of this campaign will depend on good leadership applied by concerned and experienced leaders who are committed to the welfare of their Marines and their responsibilities of ridding the Corps of this cancer that destroys lives and threatens the well-being of the Corps and the Nation. We have the leadership, the discipline and the commitment on the part of all Marines to do the job and do it right. As a result, we will continue to increase in quality, in capabilities and in readiness. We intend to continue to provide this Nation with a force in readiness that is totally dependable, totally professional and totally ready.

TOTAL FORCE

Active Force

To fully man Marine Corps units and tables of organization in fiscal year 1982 would require a strength of about 211,360, considerably more than the 192,100 currently authorized. Historically, with the exception of wartime, the structure of the active forces is manned at less than 100 percent of requirement. The result is a force structure selectively manned in order to maximize combat capabilities necessary to repond rapidly to contingency situations, maintain an acceptable level of support to the combat forces, and provide for rapid expansion and augmentation in the event of mobilization situations.

The following table displays, by Defense Planning and Programing Category (DPPC), the actual Marine Corps manpower distribution for fiscal year 1981 and that planned for fiscal years 1982 and 1983.

MARINE CORPS ACTIVE MILITARY MANPOWER REQUIREMENTS

[By fiscal years, end strength in thousands]

	1981 actual	1982–83	1983 budget
Strategic	(1)	(1)	(1)
Offensive strategic forces			
Defensive strategic forces			
Strategic control and surveillance	(1)	(1)	(1)
Tactical/mobility	110.5	113.4	114.9
Land forces	85.0	85.5	86.9
Tactical air forces	25.0	27.3	27.3
Naval forces	.5	.6	.6
Mobility forces			
Auxiliary activities	1.5	1.7	1.7
Intelligence	.7	.7	.7
Centrally managed communications	(1)	(1)	(1)
Research and development activities	.8	.9	.9
Geophysical activities	(1)	(1)	(1)
Support activities	44.8	43.3	43.5
Base operating support	22.0	20.7	20.7
Medical support			
Personnel support	4.8	4.6	4.6
Individual training	8.1	7.6	8.2
Force support training	3.2	3.0	2.9
Central logistics	.8	.8	.8
Centralized support activities	2.4	2.4	2.4
Management headquarters	2.3	2.3	2.3
Federal agency support	1.1	1.3	1.3
Subtotal, force structure	156.8	158.4	160.1
Undermanning		−3.0	−2.1
Individuals	33.8	36.7	36.5
Transients	6.6	8.1	8.3
Patients, prisoners, and holdees	1.9	1.6	1.6
Students, trainees	25.3	26.9	26.6
Cadets			
Total	190.6	192.1	194.6

[1] Fewer than 50 spaces.

Note: Detail may not add to totals due to rounding.

Our officer strength of 19,096 reflects an increase of 537 from fiscal year 1982. Included within this figure are 546 women officers whose assignments continue to be restricted to non-combat roles. Our average officer grade will maintain its historically low level of 2.71 and our officer to enlisted ratio of 1:9.2 remains the most austere among the services.

I am pleased to report that we have moved quickly in our implementation of the Defense Officer Personnel Management Act (DOPMA). As with many other pieces of significant legislation, however, there will be a continuing need to refine and update the new law as we gain experience under its provisions. We have already joined with the other services in developing a number of necessary modifications to facilitate the law's implementation and maximize its effectiveness. Legislation containing these necessary modifications will be submitted during this session of Congress, and we earnestly request your support for the changes recommended.

I am convinced that DOPMA provides a sound basis for planning and managing our officer programs, now and in the future. However, the grade table in the law that establishes the maximum authorized strength of officers who may be serving on active duty in the grades of major through colonel is inadequate to meet our officer requirement in these grades. We therefore intend to request a modification to the table that will allow for a modest increase in the number of majors and lieutenant colonels in order to satisfy validated requirements for Marine officers to man the approved structure, as well as the many important billets external to the Marine Corps supporting various Department of Defense activities.

In accordance with Congressional direction to reduce overall flag and general officers within DOD to 1,073 by October 1, 1981, we have reduced our inventory by three general officers. As a result, we now have 65 general officers with which to fill 78 validated positions. As a result, several fundamentally important general officer billets cannot be filled. As you may know, we have, in conjunction with the other services, requested relief from the reduction. This deferment, which is contained in the Minimum Grade Legislation now before the Congress, would restore three Marine Corps general officer authorizations. Your support for this relief is needed and requested.

Our budget request supports an end strength of 175,504 enlisted personnel, with an average grade of mid-range lance corporal, and provides for 85,967 Marines in grade E-4 and above. This is an overall strength increase of 1,963 and an increase of 1,559 in our top six grades. This growth gives us the ability to provide leadership in supervisory positions and substantially reduces our career Marine shortage.

The most difficult manpower requirement to satisfy has been the requirement for Marines trained and experienced in certain skill areas, most of which are highly technical and require extensive formal schooling. Of the Marine Corps' 38 occupational fields, 19 are undermanned, of which 11 are categorized as being critically short. We consider a skill shortage to be critical when less than 85 percent of the personnel required to fully man that occupational field (OccFld) are on the roles. In fiscal year 1980 the number of enlisted Marines required to bring all of our OccFlds up to at least 85 percent was 5650. During fiscal year 1981, this shortage was reduced to 4,640, an overall reduction in this deficiency of 18 percent. This rather significant success can be attributed primarily to the Selective Reenlistment Bonus (SRB) program, which permits us to target effective monetary incentives to increase reenlistments in specific skill areas. At the beginning of this fiscal year, a significant change in the SRB program was made to provide for the more precise application of SRB bonuses to the specific skill area experiencing a shortage. Instead of managing the SRB program by 38 OccFlds, we now manage by 402 MOS's, each of which is evaluated separately to determine if a bonus is required. Under this system, the efficiency and effectiveness of the SRB program is assured, and maximum benefit is derived from the funds applied.

The combination of improved compensation and the SRB program has been instrumental in whatever success we have enjoyed in reducing the loss of our career noncommissioned officers. This reduction has been significant, amounting to 32.8 percent fewer losses in fiscal year 1981 as compared to fiscal year 1979. This turnaround in overall retention of career personnel is perhaps the single most important factor contributing to the substantial progress realized over the past two years in better satisfying skill and supervisory requirements. We expect this progress to continue unabated.

By the end of fiscal year 1983, 8,000 women Marines will comprise 4.6 percent of the overall active duty enlisted personnel strength of the Marine Corps. They continue to perform well and make a significant contribution in the various occupational fields to which assigned. They will continue to be classified, assigned and employed in accordance with policies established by the Secretary of the Navy in consideration of legally based combat restrictions and the Marine Corps mission. Since overall retention of women Marines has improved, it has become necessary to reduce accessions for fiscal years 1982 and 1983 from 2,984 to 2,200 to ensure orderly growth through the grade structure while still meeting planned program growth. We are in the process of conducting a billet analysis to validate the overall requirement for women Marines, and will continue to refine our management procedures to ensure their optimal utilization.

Marine Corps Reserve

A reliable and responsive Marine Corps Reserve is essential to meeting wartime requirements. The Marine Corps Ready Reserve, composed of the Selected

Marine Corps Reserve and the Individual Ready Reserve, represents 32 percent of the Marine Corps' immediately available mobilization manpower.

The Selected Marine Corps Reserve (SMCR) is structured, equipped and trained as a Division/Wing Team, consisting of the 4th Marine Division. the 4th Marine Aircraft Wing (MAW) and the 4th Force Service Support Group (FSSG). For fiscal year 1983, we are requesting authorization for an average SMCR strength of 38,300, an increase of 700 over fiscal year 1982. This increase moves toward attainment of a wartime unit strength of 40,667 by fiscal year 1987 which is consistent with Congressional guidance. Based on experience in fiscal year 1981 and thus far in 1982, the plan to gradually increase SMCR strength levels toward full wartime manning levels is reasonable, achievable and progressing on schedule.

This optimism is based on continuing successes in nonprior service recruiting (108 percent for fiscal year 1981), increased retention (85 percent in fiscal year 1981) and lower initial active duty for training attrition (5.6 percent in fiscal year 1981). Partially off-setting these successes are higher than desirable individual attrition and lower than desired prior service accessions.

In fiscal year 1982, programs such as our Unit Sponsorship Program and increased Away from Home Site Training, initiated in fiscal year 1981 to reduce nonend of obligated service attrition, will be expanded and reinforced. Additionally, a new prior service recruiting program is being implemented. The essential elements of this program consist of centralized management, decentralized execution, a referral system, incentives and a reporting feedback system. We are confident that these initiatives will be successful in reducing attrition and increasing prior service accessions.

The following table displays the SMCR end strength by DPPC.

MARINE CORPS SELECTED RESERVE MANPOWER REQUIREMENTS

[By fiscal years, end strength in thousands]

	1981 actual	1982-83	1983 budge
Strategic			
Offensive strategic forces			
Defensive strategic forces			
Strategic control surveillance			
Tactical/mobility	32.9	32.9	33.8
Land forces	23.2	23.5	24.4
Tactical air forces	9.6	9.1	9.4
Naval forces			
Mobility forces			
Auxiliary activities			
Intelligence			
Centrally managed communications			
Research and development activities			
Geophysical activities			
Support activities	.1	.4	.7
Base operating support			
Medical support			
Personnel support			
Individual training			
Force support training			
Central logistics			
Centralized support activities	.1	.4	.7
Management headquarters			
Federal agency support			
Subtotal, force structure	33.0	33.3	34.0
Individual mobilization augmentees	.2	.9	.9
Individuals	3.8	4.3	4.3
Transients			
Patients, prisoners, and holdees			
Students, trainees	3.8	4.3	4.3
Cadets			
Total	37.0	38.5	39.7

Note: Detail may not add to totals due to rounding.

Should mobilization be ordered, the prime source of individual fillers for active and Reserve units will be the Individual Ready Reserve (IRR), which constitutes approximately 54 percent of the active Reserve. At the end of fiscal year 1981, the IRR had 3,544 officers and 48,127 enlisted Marines for a total population of 51,671. Strength is projected to increase to approximately 57,800 by the end of fiscal year 1988. This trend is a function of increased strength in the active force, Department of Defense direction to transfer SMCR non drill participants into the IRR vice the Standby Reserve, and the effects of the fiscal year 1981 IRR bonus which helped retain over 1,000 individuals for three additional years.

Overall, the Reserve population is healthy. More than 50 percent were serving on active duty less than a year ago. Sixty-one percent of the officers are captains and below, and 96 percent of the enlisted Marines are sergeants and below. We have sufficient aggregate strength to meet the initial wartime structure requirements.

As a result of DOD guidance to enhance individual Reserve management programs, an organizational structure consisting of personnel, facilities and equipment is being established in fiscal year 1982, to receive, administer, assign, train and discharge individual reservists. Integral to this management organization is an Automated Data Processing capability to support the administration, pay and premobilization assignment of selected individual reservists during peacetime and adequate system support for the mobilization of pre-trained individual reservists during a contingency or war.

Civilian personnel

Our fiscal year 1983 authorization request for civilian personnel, set forth in the following table, represents minimal levels of civilian manpower resources needed to satisfy overall management and base support requirements.

MARINE CORPS CIVILIAN MANPOWER REQUIREMENTS

[By fiscal years, direct and indirect hire end strength in thousands]

	1981 actual	1982-83	1983 budget
Strategic			
Offensive strategic forces			
Defensive strategic forces			
Strategic control and surveillance			
Tactical/mobility			
Land forces			
Tactical air forces			
Naval forces			
Mobility forces			
Auxiliary activities			
Intelligence			
Centrally managed communications			
Research and development activities			
Geophysical activities			
Support activities	19.8	20.1	20.6
Base operating support	14.8	15.0	15.0
Medical support			
Personnel support	.2	.2	.2
Individual training	.2	.2	.3
Force support training	(1)	(1)	(1)
Central logistics	2.7	2.7	2.9
Centralized support activities	1.3	1.4	1.6
Management headquarters	.6	.6	.7
Federal agency support			
Total	19.8	20.1	20.6

[1] Less than 50 spaces.

Note: Detail may not add to totals due to rounding.

The Marine Corps continues to pursue a policy of satisfying supporting base and station personnel requirements with civilian personnel to the maximum extent practicable, consistent with training, security, rotation base, and readiness considerations which would dictate the use of military personnel. Approximately 350 of the 500 additional civilian personnel requested in fiscal year 1983 will be used to release Marines from duties more appropriately performed by civilians. These Marines, in turn, will be reassigned to improve the manning of our operating forces and, thus, increase overall readiness. The remaining 30 percent of the requested civilian manpower increase is required to fill validated billets at various Marine Corps bases and stations, to include urgently required billets necessary for proper management of the Commercial Activities (CA) program.

As you can see our civilian work force remains extremely austere and provides very little potential for reduction. Because of our small numbers, any loss of civilian end strength would have an adverse affect on overall operational efficiency. Any sizeable reduction would result in selective termination of functions unless military personnel substitutions were made.

Retirees

The Marine Corps has more than 87,000 retirees who could be mobilized; about 27,000 of these are less than 60 years of age, in good health, and served on active duty within the past 10 years. This group of recent retirees constitutes a valuable mobilization asset that allows great flexibility in satisfying a variety of mobilization requirements.

The primary role of retirees will be to serve in the supporting bases within the continental United States (CONUS). This application of retired resources will free a significant number of active duty officers and senior enlisted Marines for reassignment to the Fleet Marine Forces (FMF). Additionally, some of the more recent retirees can also be assigned to serve in noncombatant billets in the FMF.

We have also expanded the practice of preassigning retirees to certain mobilization billets. In the past year, for example, we preassigned retirees to fill key billets in the Military Entrance and Processing Stations (MEPS). This year we intend to preassign retirees to casualty-family assistance teams and selected billets required at major CONUS installations early in a mobilization. These preassigned retirees will have an opportunity to undergo training in the billets they will fill upon mobilization.

Mobilization

In the aggregate, the Marine Corps has enough pre-trained manpower, coupled with personnel retrained as the result of stop loss management actions and newly trained individuals from the training pipeline, to meet all known mobilization requirements. However, this situation depends upon attaining a reasonable level of in-theater medical support and maintaining a normal personnel evacuation policy. Programs to fully support this policy will be completed by fiscal year 1987.

While there is a sufficient pre-trained manpower in the aggregate to satisfy requirements even under the worst case wartime scenario, some skill and grade deficiencies currently exist. Because of these deficiencies, approximately two percent of requirements cannot be filled even under a policy that would allow liberal grade and related skill substitution. The deficiency is primarily centered in the junior enlisted grades (E–5 and below) of technical skill areas. As we continue to target reenlistment bonuses for the active force, reinstatement of an IRR Bonus for the reserve forces would be helpful in dealing with our wartime skill shortfall problem.

Pre-trained manpower, not preassigned, can quickly be identified and ordered to active duty. Our present manpower mobilization system allows us, during a period of increased world tensions, to choose from an inventory of scenario dependent Marine Corps wartime structures, adjust that structure to best fit the possible conflict, and earmark pre-trained manpower to be mobilized. Those earmarked for mobilization can be in receipt of orders to active duty within 24 hours.

QUALITY OF LIFE

A significant consideration in a Marine's career decision is his perception of what he and his family can expect in terms of affording a life style that satisfies fundamental requirements for housing, schooling, medical care and recreation. The steps taken by the 96th Congress and the most recent steps taken by the

97th Congress have had a positive impact on this perception and, as a result, retention has improved. This perception has to be nurtured and sustained. If it is, I feel confident that personnel deficiencies, both in terms of skills and numbers, can be gradually eliminated. We are almost there and need only make a few additional improvements to be successful. The most significant areas for continued attention are:

Pay comparability

The key to maintaining pay comparability is to establish a military pay raise adjustment mechanism tied to an appropriately developed index for comparable types of work and levels of responsibility in the private sector. This would take advantage of insights gained during previous pay studies which concluded that military pay relative to civilian opportunities is a major determinant of the services' ability to attract and retain qualified personnel.

The response to recent pay raises has been good, and would indicate that we are at or very near competitive levels with the private sector. Every effort should be made to retain this relative position so that military personnel can feel confident that a career in the military will provide a reasonable standard of living for themselves and their families. They need this sense of confidence in order to justify the personal and family sacrifices that are inherent in a military career.

Permanent change of station (PCS) reimbursements

A significant problem that plagues military personnel during the execution of government ordered relocation is the high cost of today's travel, a significant part of which is subsidized by the individual. This subsidy of the government on the part of our Marines is particularly difficult to accept since civilian federal employees who are transferred to new locations are reimbursed at a higher rate, as are employees in the privtae sector. In all honesty, it is difficult to rationalize that a civil servant deserves reimbursement for travel at a rate of 20 cents per mile (the same rate allowed by the IRS), but that a young man or woman serving his country in military uniform can somehow cover expenses if reimbursed at a rate of 13 cents per mile. Logic tells me that either the civil servant is paid too much, or the service man or woman is paid too little. All information available would indicate that the latter conclusion is correct. If it is, the 13 cents per mile rate should be increased and we should stop requiring the service member to subsidize the government for travel performed in compliance with orders issued. A similar need exists for increasing allowances designed to cover the cost of dependent travel, and for authorizing increased weight allowances for household goods shipments.

Military retirement

The military retirement system is an integral part of the overall personnel management system. In its present form, it has been highly successful in maintaining a healthy and stable career force, and providing a responsive and dependable mobilization resource. It has become an important factor in enabling the military service to maintain adequate force levels in a peacetime environment and help expand rapidly during mobilization situations.

I have already pointed out that retirees are an important part of the mobilization base and are subject to involuntary recall in the event of a mobilization situation. Consequently, the military retirement system is a very important part of our overall mobilization system and must be regarded as something more than just another pension plan.

By its very nature, the military retirement system has considerable influence on career decisions. Any changes to this system will tend to undermine the stability and effectiveness of this important part of the overall base that attracts and retains quality military personnel, and can undermine our ability to satisfy requirements for manning the active force structure. The military retirement system is viewed by career personnel as part of their contract and, in effect, is perceived by them as a commitment that the government is honor bound to fulfill. Modifications to this system that eliminate or reduce established retirement benefits are regarded as a unilateral withdrawal on the part of the government from a contract made in good faith.

All of these considerations lead to the conclusion that the retirement system should not be modified without the fullest consideration of the probable effects on force manning and readiness. If the decision is made to modify the system, appropriate grandfather provisions should be included as part of the legislation to insure that promises made, both explicit and implicit, to career military personnel who have served or are now serving their country in uniform are honored.

Education assistance

As I have discussed, personnel requirements necessary to support the All-Volunteer Force are currently being met, thanks to the legislative initiatives you have taken to provide competitive levels of military compensation and increased entitlements in other equally important areas that contribute to the overall financial well being of military personnel. However, it is not time to rest on our laurels. In light of the decreasing number of young people graduating from high school during the 1980's and the projected high demand for quality personnel in the private sector, the quality manpower needs of the military services are likely to prove even more difficult to satisfy. It is not too early to put in place an effective educational assistance program that would provide the type of inducement to meet these manpower requirements successfully.

The ideal educational assistance program would be a noncontributory, incentive-oriented program requiring honorable service that could also be transferred to dependents under certain circumstances. The universally recognized long-term benefit to the Nation that would result from this type of GI bill makes the investment doubly attractive. Many people claim that the increased earning power and resulting increased tax revenues more than compensated the government for the cost of past GI bills. Although probably difficult to quantify, the claim appears to be supportable in terms of pure logic and commonsense.

Special and incentive pays

Adequate reimbursement is required for individuals who are subjected to additional expenses because of job assignment or location. For example, the rates for Special Duty Assignment pay provided to personnel on recruiting duty in all of the major population bases throughout the country have not changed since 1958. Seriously eroded by inflation, this pay no longer adequately satisfies the purposes originally intended, i.e., to help cover the added expenses inherent in an assignment to independent duty at locations distant from military installations, and serve as an incentive to attract highly qualified volunteers for recruiting duty.

Another example is the Family Separation Allowance (FSA), the purpose of which is to help the serviceman cover the additional expense of maintaining two households when required to serve in an unaccompanied status. FSA rates have not changed since 1963. Rates should be increased to levels that more closely approximate expenses it is intended to offset.

CHAMPUS dental program

Dependent dental care has been talked about for some time. Ever increasing costs have placed dental care for dependents out of the reach of a good portion of our young officer and enlisted Marines raising a family. The time has come for a dependent dental program, particularly in view of the growing number of private industries now offering such programs. An effective dental program should provide, at a minimum, essential dental services to include emergency, diagnostic, preventive and basic restorative care at a minimal cost to the service member. A CHAMPUS dental program, properly structured, will satisfy this requirement.

Accompanied tours in Westpac

The Commandant recently announced a major change in policy relative to the assignment of career Marines to accompanied tours in Japan. The intent is to reduce the frequent separations from families that Marines must face over the course of a career, by gradually increasing the opportunity for accompanied tours on Okinawa and at Iwakuni. The ultimate goal is to eventually have all career married Marines in Japan in an accompanied status, except for Marines in unit deployment billets, i.e., Marines assigned to ground and aviation combat units. The policy will obviously increase morale, improve retention and, because of the stability afforded by having more Marines on longer accompanied tours, enhance the readiness of units throughout the Marine Corps.

Family service centers

Marine Corps Family Service Centers completed their first full year of operations in December 1981. Each of the 17 centers has developed a balance of personal counseling and information/referral to suit the needs of its particular military community. A recent survey revealed that approximately 7,000 Marines and their family members used the centers during a three month period (April–June 1981), with approximately two-thirds in the grade of sergeant or below. The majority of the more serious problems faced by these young Marines require Family Service Center support in the form of referral to county/state agencies, marital/parental counseling, financial counseling, and relocation assistance. Our Family Service Centers provide a very necessary military community service and continue to be refined in both scope and orientation as local commanders become more familiar with the problems facing military families in the local geographic area. Demonstrating command concern for the welfare of Marine families, the centers contribute in a real sense to combat readiness simply by visibly improving morale and having a noticeable positive influence on retention.

Morale, welfare and recreation programs

For many years, the Marine Corps relied primarily on nonappropriated funds to support our morale, welfare and recreation (MWR) programs. As a result, these programs have been underfunded, while the backlog of unsatisfied requirements has continued to grow. We have recently made a concerted effort to correct this situation and have enjoyed some minor success in doing so. In fiscal year 1980, we supported our MWR programs with 22 cents from appropriated funds for each dollar of nonappropriated funds expended. In fiscal year 1981, the appropriated fund support was up to 26 cents for each dollar of nonappropriated funds expended.

While this gain is small, it is the beginning of an effort that will progressively improve our MWR programs. We intend to gradually increase the levels of appropriated funds in support of MWR programs, as already authorized by Congress and the Department of Defense. I urge your strong support for these initiatives to enhance the morale and quality of life of our Marines and their families.

RENTENTION

Officers

In fiscal year 1980 we experienced a decline in total officer attrition. I am pleased to report that this trend continued in fiscal year 1981. Total officer attrition dropped from 9.7 percent in fiscal year 1980 to 9.1 percent in fiscal year 1981. This decrease can be attributed directly to your support and efforts in providing improved compensation. However, of continuing concern to the Marine Corps is the Naval Aviator shortage. As a result of your support for the Aviation Officer Continuation Pay (AOCP), we were able to reduce that shortage of 581 pilots and 124 Naval Flight Officers at the beginning of fiscal year 1981 to 243 pilots and 99 Naval Flight Officers at the present time. Even if improved pilot retention rates continue and planned pilot training rates are met, we will not satisfy our inventory requirements for aviators until the late 1980's. It is therefore requested that authority to pay AOCP be extended through fiscal year 1983.

Enlisted

In terms of enlisted retention, fiscal year 1981 was the most successful ever recorded. Because of our long enduring emphasis on quality, attrition trends continued downward and, by year's end we had reenlisted approximately 16,000 Marines.

This success in reenlisting trained, experienced Marines has allowed us to substantially reduce the shortage of noncommissioned and staff noncommissioned officers, significantly improve our overall technical skill personnel inventory, and increase personnel readiness throughout the Marine Corps. Our reenlistment goal for fiscal year 1982 is 16,000 which, based on fiscal year 1981 experience, is both realistic and achievable. I am happy to report that we are exceeding that reenlistment goal during the first 4 months of this fiscal year. Based on these early returns, I am confident that our fiscal year 1982 enlisted retention goals will be met. We have planned and budgeted for a modest increase to 16,500 reenlistments in fiscal year 1983.

As mentioned earlier, the most effective means we have of influencing the number and type of reenlistments is through the Selective Reenlistment Bonuses (SRB), which allow us to precisely target skill areas experiencing shortages. I strongly urge your continued support for requested SRB funding levels. I am somewhat concerned that the recently directed and instituted installment method of paying SRB's may not provide sufficient reenlistment incentives to meet our higher goals. It is still too early to tell, and we will continue to monitor results under this new system and report any significant findings.

RECRUITING

Fiscal year 1981 was also a good recruiting year for the Marine Corps. I am happy to report that we achieved 104 percent of goal, and enlisted 80.1 percent high school graduates. I would note that our percentage of high school graduate accessions has increased each year since 1975.

Our strong emphasis on quality is also reflected in the success enjoyed in reducing the number of Mental Group IV accessions. Only 12.8 percent of our fiscal year 1981 accessions were in this lower mental group, and all of them were in the upper half of this mental group, or Mental Group IVA. This reduction in Mental Group IV accessions was significant and represents more than a 50-percent reduction from the renormed 26.4 percent shipped to recruit training in fiscal year 1980. Discounting the large number of renormed Mental Group IV's in the Delayed Enlistment Program at the beginning of fiscal year 1981, the actual number of Mental Group IV's contracted and shipped would have been only 8.5 percent.

Approximately 29 percent of our fiscal year 1980 accessions would not have qualified for enlistment in the Marine Corps under the properly normed Armed Forces Vocational Aptitude Battery (ASVAB) applied in fiscal year 1981. Although concerned that renorming would reduce the number of qualified applicants, we did not lower our enlistment standards to compensate for the new ASVAB. By maintaining those standards, the quality profile of enlisted accessions was increased substantially. Based on 1981 experience and results thus far in this fiscal year, I am confident that Marine Corps recruiting goals will be met.

As much as I would like to give total credit to the positive actions taken by Congress and to the dedicated, hard working Marines on recruiting duty for these achievements, I would be less than honest if I did not recognize that some of this success has to be credited to the state of the economy. We should all be aware that a declining youth population and projected economic improvements in fiscal year 1983 could create a difficult recruiting environment, further emphasizing the need to maintain military compensation at a competitive level with the civilian sector.

We continue to be hindered by the lack of access to criminal and juvenile records. Failure to correct this problem significantly contributes to the high cost of recruiting and training new accessions. Applicants with established patterns of involvement with the law simply do not make good Marines, and the vast majority of them are unable to comply with more stringent military disciplinary standards and must be discharged early in their enlistments. When this happens, invested training costs are wasted, and the recruiter must expend the additional time and effort to recruit a replacement. This all costs money. Furthermore, the discharge process is expensive and the adverse effect on morale these individuals have on others is damaging. Much of this expense could be avoided if the recruiting service had access to criminal and juvenile records. I strongly urge your support for Senator Tower's bill which represents a major step in the direction of alleviating this serious situation.

TRAINING

For fiscal year 1983, our training load authorization request for 23,406 man-year (20,435 active and 2,971 reserve) represents a four percent increase over fiscal year 1982. These man-years will be used to support training programs in five major categories.

Category	*Load*
Recruit training	11,372
Officer acquisition training	633
Specialized skill training	10,042
Flight training	680
Professional development training	679

A slight increase in the military and civilian manpower required to accomplish the individual training mission is necessary and urgently requested. This minor increase is necessary to conduct and support instruction, operate training bases and facilities, maintain training equipment, produce training aids, and provide personal and community services to students/trainees.

Specialized skill training is the most difficult and demanding requirement to satisfy. Whenever training objectives allow, we take full advantage of other service schools and on-the-job (OJT) training to realize maximum training economies. In this regard, we train 48 percent of our personnel at other service schools. Of the total entry-level training programs required, approximately 19 percent are accomplished through OJT programs. Although more economical than formal school training in that training overhead is avoided, OJT transfers a portion of the training load to operational units, generally prolongs the time necessary to achieve training objectives, and could cause some degradation in readiness of the operational units conducting the training. As a consequence, OJT programs are monitored closely in order to maintain a proper balance between individual training economies and unit readiness requirements.

We continue to examine methods of improving our ability to precisely match student input to fill available formal school seats. Because of the seasonal nature of recruit depot training input and output, however, no easy solutions are available. To more quickly and efficiently produce trained Marines to meet the needs of our operational forces, we are considering measures that would allow a reduction in the length of selected courses while still achieving all training objectives. Considerable potential exists in this area through the more extensive use of Instructional Systems Development techniques, increased use of self-paced instruction, further refinement of MOS requirements, and greater use of computer assisted/managed instruction.

Initial Active Duty Training (IADT) for Reserves requires much of the same recruit and specialized skill training which is conducted for active duty personnel. Additionally, 14 two-week courses of instruction are conducted for Reserves at various formal schools. These courses encompass a wide range of subjects and are intended to provide Reservists with comprehensive, skill enhancing training during their annual active duty training periods.

MANPOWER COSTS

Our request for fiscal year 1983 is $3,276.1 million for the direct manpower program. This amount is $141.8 million greater than the fiscal year 1982 request. As indicated in the following table, 85 percent of our request is devoted to officer and enlisted pay and allowances.

FISCAL YEARS 1981-83 MILITARY PERSONNEL, MARINE CORPS BUDGET

Budget activity	Fiscal year 1981		Fiscal year 1982		Fiscal year 1983	
	Millions	Percent of total	Millions	Percent of total	Millions	Percent of total
1. Pay and allowances of officers	$514.770	19.30	$610.222	19.47	$627.883	19.23
2. Pay and allowances of enlisted	1,814.785	68.06	2,101.746	67.06	2,161.712	66.41
4. Subsistence of enlisted personnel	170.160	6.38	216.503	6.91	230.970	7.10
5. Permanent change of station travel	164.711	6.18	203.577	6.49	250.047	7.18
6. Other military personnel cost	2.183	.08	2.252	.07	2.483	.08
Direct program	2,666.609		3,134.300		3,276.100	
Reimbursable program	9.390		16.862		17.000	
Total program	2,675.999		3,151.162		3,293.100	

CONCLUSION

The overall Marine Corps personnel situation and all of its supporting programs are healthy and fully capable of satisfying the personnel needs of the Marine Corps, both in peacetime and in the event of mobilization. Visible improvements are being made in all deficient areas. Higher end strengths are being achieved to improve overall capabilities and maintain higher levels of personnel readiness. Recruiting and retention programs are going well and are meeting all established goals, both in terms of quality and quantity. Skill and grade shortages are being reduced at a very satisfactory rate. The high state of leadership and professionalism that you have come to expect from the Marine Corps is being maintained and, if anything, reinforced through persistent and continuing emphasis on quality enlistments and reenlistments. I thank you for your past support and solicit your continuing support for the requested budget levels necessary to maintain our high standards and achieve programed objectives. In return, the Marine Corps will continue to field a professional, highly trained, superbly disciplined, fighting force that is fully capable of accomplishing all missions assigned to this nation's force-in-readiness.

This, Mr. Chairman, concludes my statement. I am prepared to respond to your questions.

Senator JEPSEN. Admiral Palmer?

STATEMENT OF REAR ADM. FREDERICK F. PALMER, USN, DIRECTOR OF NAVAL RESERVE

Admiral PALMER. Mr. Chairman, I am delighted to be in command of the Naval Reserve and back before your committee this year. I would like to submit my statement for the record. I am ready for your questions, sir.

[The prepared statement of Rear Admiral Palmer follows:]

PREPARED STATEMENT OF REAR ADM. FREDERICK F. PALMER, USN, CHIEF OF NAVAL RESERVE

Mr. Chairman and members of the Committee: It is my pleasure to appear before this committee today to describe the current status of the Naval Reserve and present our program for fiscal year 1983.

This is my fourth opportunity to report on the status of the Naval Reserve and it is a distinct pleasure to report continuing improvement. No small part of the credit for our progress is the interest and support provided by the Congress.

CURRENT STATUS

Improvements in the Naval Reserve cover the full spectrum of Selected Reserve strength, equipment modernization, readiness and training.

Selected Reserve strength

We were able to maintain our Selected Reserve strength within one half a percent of our authorized level of 87,000 and ended fiscal year 1981 with 87,599 personnel on board. This stability enabled us to continue our program of increasing the match between specific billet requirements and the capabilities of the individual Selected Reservist.

The first quarter of fiscal year 1982 has also been a period of stable strength for the Naval Reserve during which we achieved a major milestone with the endorsement of the Navy's Manpower Mobilization System (NAMMOS) in the report to the House Armed Services Committee by the Office of the Secretary of Defense. The approval of the Navy's mobilization manpower determination system has been essential to full acceptance of our stated Selected Reserve requirements.

Last November we instituted a 30-year career plan for Selected Reserve enlisted personnel, which will not only improve the career and promotion opportunities for mid-grade petty officers, but will also improve the vitality of the force.

Most significantly, we have started to increase our Selected Reserve strength to more closely match the increasing requirements generated by NAMMOS. At the end of December, I issued a challenge to our recruiting force to make a major effort to achieve the significant increase in strength funded by Congress for fiscal year 1982. I emphasized that we must have only quality accessions to meet approved billet requirements. We will maintain personnel quality and improve personnel readiness. A growth of seven thousand Selected Reservists by the end of this fiscal year will be a most difficult task. However, we will utilize all of our assets to achieve this goal.

NRF frigate program and operational control

On January 16, 1982, the first two FF–1052 class Frigates were transferred into the Naval Reserve Force. The planned transfer of 24 modern frigates to the Naval Reserve Force is a major modernization effort. I have entered into written agreements with the type commanders which detail operational scheduling procedures for these ships. Careful planning has been completed to insure the ships will be utilized to accomplish required training and qualifications of the ship and its Reserve crew. My representatives on both coasts are involved in the operational scheduling process on a continual basis and I have the final approval authority for the schedules. Additionally, a maintenance monitoring activity has been established at Chief of Naval Reserve headquarters to ensure that the maintenance of the frigates is kept up to fleet standards.

Improvements in readiness

As a result of improved funding support, the Naval Reserve has achieved significant improvements in readiness. Naval Reserve Construction Battalion unit readiness has made the most dramatic improvement. Other types of surface Reserve hardware units are also on the up-swing. Air Reserve Readiness has remained relatively stable due mainly to equipment problems with both airframes and engines. Augmenting and sustaining units throughout the Naval Reserve show a modest readiness increase due primarily to improvements individual qualifications.

Improvements in training

Considerable progress has been made in improving the level of training in the Naval Surface Reserve. During the last 6 months, funding for training equipment has permitted the construction of 14 Shipboard Simulators (SBS) and 5 Damage Control Trainers (DCT); establishment of 6 Naval Reserve Maintenance Activities (NRMF); and the placement of 12 landing craft in the Naval Reserve. These trainers and equipment provide much needed hands-on training for units and personnel to maintain mobilzation readiness qualifications. The most significant event in improving Naval Air Reserve training has been the assignment of limited numbers of Reserve air crews to fly fleet aircraft at Jacksonville, Fla. On the west coast a new initiative has Reserve flight crews training in USN Flight Simulators with flights in fleet aircraft planned for this year. Both of the programs are providing training on equipment not previously available to the Naval Air Reserve.

Mutual support

Our Mutual Support program, where direct assistance to the Navy in the performance of its peacetime mission is provided as an adjunct to mobilization training for the Naval Reservists, continues to expand. Some examples of this type of Reserve training are:

Reserve attack and fighter squadrons provide opposition forces for war-at-sea, fleet air defense, and air-to-air warfare exercises for workup training of deploying battle groups.

Reserve Transport (VR) squadrons are furnishing the entire CONUS fleet logistics support effort and are also augmenting the MED on a regular basis. Also C-9B's are deploying to WESTPAC to support the USS *Midway* and Pathfinder (Transpac) movements of Navy and Marine TACAIR squadrons.

Reserve VC squadrons presently provide 5,060 hours per year of target and Dissimilar Air Combat Training (DACT) services to fleet units.

During 1981, 11 Reserve VP Squadrons provided 4 aircrews and 3 aircraft for 22 weeks at Bermuda and Lajes and 20 weeks at Kadena to supplement fleet operations.

Naval Reserve Force (NRF) ships and special boat units are fully integrated into fleet exercises and underway training schedules. They also provide assets for special evolutions, such as the Surface Warfare Officers School ship and the annual Great Lakes Cruise.

SIMA/YR Reserve units have provided over 64,000 man-days in direct support of ship overhaul and rework projects at the Intermediate Maintenance Level activities.

Supply Systems Command units are assigned projects in stock control, warehousing, traffic management, stock purification, materials identification, and other areas covering the entire spectrum of the Naval Supply Systems Command's tasks and responsibilities.

Reserve Seabee support to active commands was in excess of 30,000 man-days last year.

Public Affairs units provided almost 1,000 man-days of support to active commands in all areas of public affairs and public information. In addition, support was provided for the Great Lakes Cruise and the NATO Standing Naval Force visit to New York City in 1981.

FISCAL YEAR 1983 REQUEST

Our request for fiscal year 1983 marks the real beginning of our phased growth and modernization which is essential to improve the Naval Reserve's ability to support an expanding U.S. Navy. Just as the Naval Reserve was reduced in size at the same time as the active duty Navy during the seventies, the Naval Reserve must grow to meet its expanded responsibilities in the eighties.

Selected Reserve strength

The average paid drill strength of 93,240 requested for fiscal year 1983 represents a significant increase over the authorization for fiscal year 1981, but is essentially the same as our anticipated end strength for fiscal year 1982. What appears to be a significant increase in the number of full-time active duty support personnel is the result of the transfer of the funding and accountability of all the Navy's Training and Administration of Reserves (TAR) personnel (12,038 end strength) from the Military Personnel, Navy (MPN) to the Reserve Personnel, Navy (RPN) appropriation in fiscal year 1983. This action was the result of Congressional directive. There is some growth within the TAR program, approximately 600, as the result of the continuing expansion to support the new Naval Reserve Frigate Program. We are also continuing to expand our Individual Mobilization Augmentee (IMA) program with a planned growth from an average strength of 320 in fiscal year 1982 to 550 for fiscal year 1983 for those who will only be paid for 2 weeks annual active duty training (CAT D) and 500 in pay Category A. This growth marks the beginning of a new program to meet expanding medical support requirements. This combination of Selected Reserve unit strength (92,740), full-time active duty support personnel (12,038), and Individual Mobilization Augmentees (500 Category A and 550 Category D) results in a Total Paid Naval Reserve of 105,828 for fiscal year 1983.

Naval Reserve Force levels

The NRF Frigate program will continue its expansion to a level of six FF-1052 class Frigates by the end of fiscal year 1983. Although two FRAM I Destroyers will remain in the NRF through fiscal year 1983, the only destroyer operating beyond fiscal year 1983 will be the USS *Edson*, a DD-931 class ship which is significantly newer and more combat capable than the destroyers we are decommissioning. A detailed plan outlining the further modernization of this increasingly important part of the NRF will be forwarded to Congress by April 1, 1982.

The four Amphibious Cargo Ships (LKA) assigned to the NRF are scheduled to be returned to the active forces during fiscal year 1983. This will improve the peacetime amphibious lift capability necessary to support the Navy's deployed forces.

Four of the Ocean Minesweepers (MSOs) assigned to the Naval Reserve Force are being retired durinng fiscal year 1983 due to their age and maintenance problems associated with their unique propulsion systems.

Replacement of the Naval Air Reserve's C-118 aircraft is one of our highest priority items. The Navy has been examining alternatives to determine the least costly method of providing required mobilization airlift capability and support as well as necessary Naval Research training. We are presently investigating a lease/purchase plan which could provide as many as 12 used DC-9 aircraft by the end of fiscal year 1983.

The program to improve the capability of our Reserve patrol (VP) aircraft through the procurement of the Tactical/Navigational Modernization (TACNAV MOD) kits has been suspended for fiscal year 1983 as the result of fiscal constraints. The installation of kits procured during previous years continues and will provide a significant increase in capability to these aircraft. Thirty-five percent of Reserve VP aircraft are scheduled to have this fleet-compatible capability by the end of fiscal year 1983.

We are developing plans for a dramatic change in our Resserve Carrier Air Wings. The Navy is adopting a policy of horizontal integration of aircraft into the Naval Reserve where we will have a Reserve squadron for virtually all of our front line fleet aircraft. Discussions are focused on providing F/A-18, A-7E, and A-6E aircraft to the Naval Air Reserve as early as possible.

I strongly support this new philosophy of upgrading the capability of the Naval Air Reserve to make both the units and individuals better qualified and equipped to augment the fleet immediately upon mobilization.

Readiness initiatives

The fiscal year 1983 budget includes funding in three areas which will improve the readiness of all Reserve units: (1) increased formal school training that will enable Reservists to acquire critical skills needed upon mobilization; (2) additional Weekend Away Training (WET) to allow mobilization readiness training at active duty gaining commands; (3) additional Special Active Duty for Training including support for fleet exercises. This will improve unit individual readiness through integration with operating active duty ships and permit attainment of watch station qualifications.

Training initiatives

Three additional Shipboard Simulators and 12 additional Damage Control Trainers are included in the fiscal year 1983 budget request to make them more readily available to Reservists nationwide. Significantly improved training will be achieved by the increases in Weekend Away Training (WET) travel and per diem funding, additional funding for formal school tours, and sustained funding for participation in fleet exercises. Increases in funding of these three areas should produce dramatic improvements in both unit readiness and training quality.

The programed changes will result in a Naval Reserve at the end of fiscal year 1983 as outlined below:

MAJOR COMMISSIONED UNITS

- *35 Ships:*
  - 3 Destroyers (DD).
  - 6 Frigates (FF).
  - 18 Minesweepers (MSO).
  - 2 Tank Landing Ships (LST).
  - 5 Fleet Ocean Tugs (ATF).
  - 1 Salvage Ship (ARS).
- *4 Special Boat Units* (numerous craft).
- *16 Mobile Inshore Undersea Warfare (MIUW) Units.*
- *17 Mobile Construction Battalions (MCB).*
- *6 Cargo Handling Battalions (CHB).*
- *2 Carrier Air Wings (CVWR):*
  - 4 Fighter Squadrons (VF).
  - 6 Attack Squadrons (VA).
  - 2 Light Photographic Squadrons (VFP).
  - 2 Carrier Airborne Early Warning Squadrons (VAW).
  - 2 Tactical Electronic Warfare Squadrons (VAQ).
  - 2 Aerial Refueling Squadrons (VAK).
- *2 Patrol Wings (RESPATWING).*
  - 13 Patrol Squadrons (VP).
- *1 Helicopter Wing (HELWING RES):*
  - 4 Helicopter Anti-submarine Squadrons (HS).
  - 1 Helicopter Combat Support Squadron (HC).
  - 2 Helicopter Attack (light) Squadrons (HAL).
- *1 Tactical Support Wing (RESTACSUPWING):*
  - 9 Fleet Logistic Support Squadrons (VR).
  - 2 Fleet Composite Squadrons (VC).

The Naval Selected Reserve also contains approximately 2,100 reinforcing and sustaining units organized and trained to provide support to the following programs:

Submarine Forces.
Mine Forces.
Mobile Logistics Support Forces.
Surface Combatant Forces.
Air Forces.
Construction Forces.
Amphibious Forces.
Marine Corps.
Special Warfare Forces.
Major Fleet/Force Commands.
Unified/Joint/Shore Commands.
Support to Allies.
Telecommunications.
Security Group.
Intelligence.
Oceanography.
Naval Control of Shipping.
Research.
Military Sealift.
Bases and Stations.
Naval Material Command.
Air Systems.
Electronics Systems.
Facilities Engineering.
Sea Systems.
Civil Defense.
Supply Systems.
Merchant Marine.
Medical.
Training.
Personnel System.
Public Affairs.
Law.
Chaplain.
Selective Service.

NAVAL RESERVE APPROPRIATIONS

The Naval Reserve is supported primarily by two appropriations; the Reserve Personnel, Navy (RPN) and the Operations and Maintenance Naval Reserve (O&MNR) appropriations. First, the Reserve Personnel, Navy appropriation.

Reserve Personnel, Navy

The Reserve Personnel, Navy (RPN) appropriation is divided into two budget activities. Budget Activity One, provides funding for Unit and Individual Training. Budget Activity Two, provides funding for Other Training and Support including the active duty TAR personnel, Reserve Officer Candidate Program, Naval Reserve Officer Training Corps, Armed Forces Health Professions Scholarship Program, and the Navy Junior Reserve Officer Training Corps. The total fiscal year 1983 RPN appropriation request is for $641.3 million, which includes $330.6 million for Budget Activity One and $310.7 million for Budget Activity Two.

The funding request will support an average strength of 105,500 Reservists in paid status, including 11,500 active duty TAR personnel previously funded in the Military Personnel, Navy (MPN) appropriation. The Budget Activity Two request includes $238.4 million transferred from the MPN appropriation to support the cost of active duty TAR personnel. The Budget submission requests an increase of 24.0 million for program growth. This includes $9.5 million for full year funding of the 94,000 fiscal year 1982 End Strength (93,440 Selected Reserve, 352 IMA's and 208 full-time active duty) which was incrementally funded (90,700 man year average) in fiscal year 1982. Cost escalation is $4.0 million.

Travel funding included in the fiscal year 1983 RPN request is all mission essential travel and is based upon actual costs experienced in fiscal year 1981 with a modest allowance for inflation. Barring cuts in the level of travel funding and unforeseen escalation in costs, the requested funding appears adequate to execute Naval Reserve Training programs for fiscal year 1983.

Operations and maintenance, Navy Reserve

The other major appropriation which supports the Naval Reserve is the Operation and Maintenance, Navy Reserve (O&MNR) appropriation. The Naval Reserve is dependent upon funds in this appropriation for support of mission forces, depot level maintenance, and other support. This includes funds for fuel, intermediate maintenance, repair parts and related support for the operation of the aircraft in both the Naval and Marine Corps Reserve; operating funds and maintenance for Naval Reserve ships; depot level maintenance, and rework of aircraft, engineers, and components for Naval Reserve activities under the command of the Chief of Naval Reserve.

The funding requested for the O&MNR appropriation for fiscal year 1983 is $653.0 million which is a $81.9 million net increase over the fiscal year 1982 funding level of $571.1 million. The overall program reflects a real program growth of $64.8 million or 11.2 percent and a price growth of $17.1 million. Program growth is primarly for increases in Ship's Maintenance incurred with the introduction of the FF–1052 class frigates.

In addition, we will not be able to meet the Congressional Containment Policy of no further growth above the fiscal year 1978 year-end level of the backlog of nondeferrable Maintenance and Repair which was $20.7 million. Accelerated determination of the physical plant will drive our nondeferrable maintenance and repair backlog for fiscal year 1983 to a projected level of $38 million, or about $17 million above the containment level.

The NRF ship steaming time will remain virtually the same as in fiscal year 1981 and as originally planned for fiscal year 1982. While the Fleet Commanders-in-Chief consider 16 days steaming per quarter to be necessary for minimum required readiness, and 21 days to be optimum, funding has constrained steaming to 14 days per ship for quarter. Also, the fiscal year 1983 flying hour program is now at 83 percent of flight hour requirements. This posture is slightly below the historically funded 85 percent of Primary Mission Readiness (PMR) level.

SUMMARY

During the past 4 years we have seen remarkable progress in the Naval Reserve. Not only have the past proposals for reductions in Selected Reserve strength been revised and the on board strength stabilized permitting increases in quality, we have also made substantial improvements in readiness and mobilization capabilities.

The Navy has developed and implemented an integrated mobilization manpower requirements determination system (NAMMOS) which generates our Selected Reserve requirements. This system has just recently been endorsed by the Office of the Secretary of Defense. We have been able to use this period of stability in strength to organize our structure at the unit level and to steadily improve the match of individual Reservists and their qualifications with the specific requirements of their mobilization billet.

We have greatly improved the quality of training through direct involvement of the active force command to which the individual Reservist or Reserve unit would mobilize. This involvement of active force units in Reserve training has had the additional benefit of direct support to the fleet as a byproduct of Reserve training. This Mutual Support program has been warmly received by both the active and Reserve forces.

The Naval Reserve has just embarked on a growth and modernization program to increase our capability to support an expanding Navy. We are:

Increasing the number of qualified Selected Reservists,

Modernizing and expanding our surface warfare capability with the NRF Frigate program,

Actively seeking replacement aircraft for our C–118s, and

Adopting a new policy of horizontal integration of our tactical air forces which will place new aircraft directly into the Naval Air Reserve.

The Naval Reserve is anxious to accept these new and challenging assignments.

I shall be happy to respond to any questions or provide any additional information you may desire.

Senator JEPSEN. General Crist?

STATEMENT OF MAJ. GEN. GEORGE B. CRIST, USMC, DEPUTY CHIEF OF STAFF FOR RESERVE AFFAIRS

General CRIST. Mr. Chairman, I have a brief preliminary statement that due to the constraints of time I would like to submit for the record so that I might respond to your questions.

Senator JEPSEN. That has already been done. Thank you.

[The prepared statement of Major General Crist follows:]

PREPARED STATEMENT OF MAJ. GEN. GEORGE B. CRIST, U.S. MARINE CORPS, DEPUTY CHIEF OF STAFF FOR RESERVE AFFAIRS

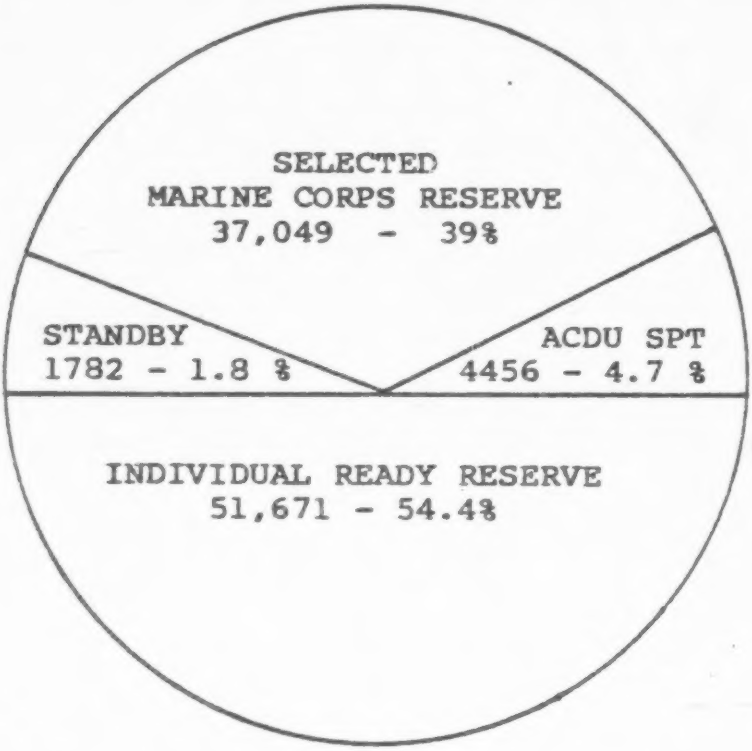
Mr. Chairman, distinguished members of the committee: It is a privilege to appear before this committee to present the annual report on the posture of the Marine Corps Reserve.

I am pleased to report that the posture of the Marine Corps Reserve is solid. We continue to show steady, demonstrable progress in almost every measured area. As satisfying as this situation is, the question must be asked, however, whether this is enough. With one third of the available manpower and 25 percent of the structure, the Marine Corps must rely heavily on its Reserve Component to meet the totality of wartime and contingency requirements. This dependence in turn is generating a widening range of Reserve contingency missions within increasingly stringent response parameters. We believe the pace needs to be accelerated if the Reserve is to meet this new challenge. What was not possible prior to fiscal year (FY) 1981 is within the realm of achievability now. The administration has provided the impetus and Congress the prority and wherewithal. Fiscal year 1982 is the year of transitions as the Marine Corps Reserve steps out smartly.

In this statement I have tried to lay out for you a map of the path we intend to travel—what has been accomplished to date—what we intend to do with your help—and what remains to be done.

ORGANIZATION

The rock upon which all our planning rests is the 94,958 active Marine Corps Reserve. It is composed of the Selected Marine Corps Reserve (SMCR), the Individual Ready Reserve (IRR), the Standby Reserve and full-time Reserve (FTS) and active duty personnel who will mobilize with the Reserve component.



Selected Marine Corps Reserve (SMCR)

The preponderance of the SMCR consists of the 4th Marine Division, the 4th Marine Aircraft Wing (MAW), and the 4th Force Service Support Group (FSSG).

Located in 45 states at 178 sites, the Division/Wing Team (DWT) is a balanced force of combat (35 percent), combat support (39 percent), combat service support (24 percent) and staff (2 percent). The population is similarly well balanced. The ratio of officers to enlisted is 1:14. Officers make up 7 percent of the population with 40 percent of the officers captains or below. On the enlisted side, 89 percent of the personnel are sergeants or below.

The remainder of the Selected Reserve consists of Individual Mobilization Augmentees (IMA) and full-time support personnel.

Individual Mobilization Augmentees are members of the Selected Marine Corps Reserve who are in a mandatory training status, but who are not members of Selected Reserve units. These are individuals who are preassigned to mobilization billets which must be filled on or shortly after M-Day and whose mobilization duties are of such a nature that the individuals must be available immediately upon mobilization. Mandatory training assemblies and annual active duty training are required. They will be issued mobilization orders which will be executed when authorized and directed.

Full time support is provided by a combination of reservists on active duty and regular personnel who assist in organizing, recruiting, administering, instructing, and training the Reserve Component.

Individual Ready Reserve

The IRR consists of members of the Ready Reserve not assigned to the Selected Reserve and not on active duty. These reservists may be mobilized: (1) to meet filler replacement requirements of active units or mobilized Reserve units, or; (2) to form new active units, or; (3) to replace combat losses.

A percentage of the IRR will be preassigned to designated wartime billets. The prerequisites for preassignment are that the individual can maintain the capability to immediately assume duties upon mobilization with little or no preparation other than periodic two week annual refresher training and that the billet must be filled shortly after M-Day. Preassigned IRR's will be issued premobilization orders for execution upon statutory authorization.

Standby Reserve

The Standby Reserve is divided into active and inactive categories.

The Active portion is composed of reservists who: (1) are completing their miiltary obligation; (2) are being retained in an active status under Section 1006, title 10, U.S.C. (at least 18 years but less than 20 years of qualifying service for retirement), or; (3) are temporarily assigned to the Standby Reserve for hardship or other cogent reason with the expectation of being returned to the Ready Reserve.

Inactive Standby Reservists are members who are not required by law or regulation to remain as members of an active status program, but who: (1) desire to retain their Reserve affiliation in a nonparticipating status; (2) have skills which may be of possible future use to the Marine Corps; and (3) do not volunteer for assignment to, or having so volunteered have not been assigned to the Active Status List of the Standby Reserve.

MISSION

To support the assigned wartime and contingency roles and missions of the Marine Corps, the most probable employment roles for the Active Reserve will be as follows:

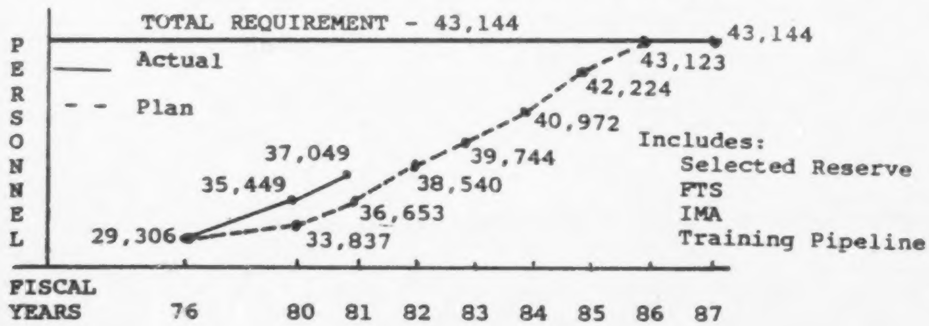
Selected Marine Corps Reserve.—Units of the SMCR will be utilized to: provide trained units to selectively augment and reinforce the active force in order to fill three Marine Amphibious Forces (MAF's) at full wartime structure; provide a Marine Amphibious Brigade (MAB) for independent deployment; and provide a nucleus for reconstitution of a fourth Division, Wing, and FSSG. If augmentation and reinforcement are not ordered, the Selected Reserve will generate a fourth Division/Wing Team. Individual Mobilization Augmentees will be utilized to provide trained individuals to fill key mobilization billets at M-Day.

Individual Ready Reserve (IRR) and Standby Reserve.—Members of the IRR and Standby Reserve will be the prime source to provide qualified individuals to fill shortfalls in active and Reserve units and expand the supporting base to meet wartime contingency requirements.

PERSONNEL READINESS

Selected Marine Corps Reserve (SMCR).—SMCR end strength has grown steadily since fiscal year 1976. By the end of fiscal year 1981 the strength had climbed to 37,049 (10 percent over the goal). The present plan is to achieve wartime strength by fiscal years 1986–1987.

TOTAL SELECTED RESERVE MANPOWER PLAN



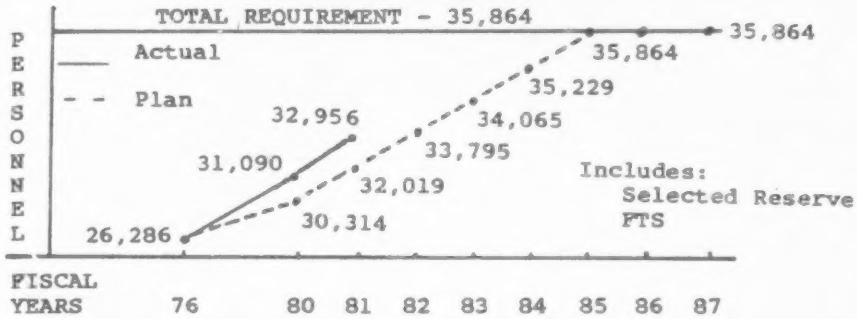
During fiscal year 1981 the Marine Corps Reserve was successful in improving the quality of the force as we increased the quantity. There was an 8 percent increase in the number of high school graduates recruited in fiscal year 1981 (84 percent for fiscal year 1981 versus 76 percent for fiscal year 1980). The Marine Corps Reserve population now contains 79 percent high school graduates overall (6 percent increase over fiscal year 1980) and 14 percent have 2 years of college or more. Mental Group IV comprised only 9 percent of the total SMCR population. In fiscal year 1981, non prior service (NPS) accessions in Mental Group II increased 9 percent and Mental Group IV accessions decreased 15 percent.

Minorities represent 21.8 percent (17 percent black). This is a decline of 1.9 percent from fiscal year 1980. Women comprise 3 percent; no appreciable change from fiscal year 1980.

Unit Strength

Unit strengths increased 1,866 over fiscal year 1980. These improvements are due to an 18 percent decline in attrition since fiscal year 1975; increased first term retention (55 percent for fiscal year 1981 versus 52 percent in fiscal year 1980 and 9.1 percent in fiscal year 1975); increased career retention (94 percent for fiscal year 1981 versus 88 percent in fiscal year 1980); and reduced Initial Active Duty for Training (IADT) losses (5.6 percent in fiscal year 1981 as compared to 12 percent in fiscal year 1980; and 20 percent in fiscal year 1977). These positive trends are expected to continue in fiscal year 1982 and fiscal year 1983.

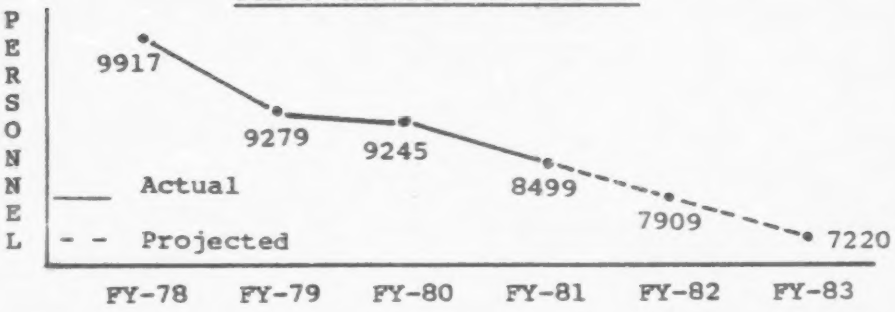
UNIT SELECTED RESERVE REQUIREMENT



Grade and Skill Shortages.—As unit strength increases, grade and skill shortages are emerging as major inhibitors to increased personnel readiness. For example, approximately 30 percent of the 4th Marine Division units are reporting degraded readiness for this reason. Some examples of areas experiencing the greatest shortfalls include Data Communications, NBC, Utilities, Electronics Maintenance, Aircraft Maintenance, Avionics, Aviation Ordnance and Air Control. The primary contributing factors to this disturbing problem are non prior service attrition and a continuing decline in the prior service population.

Non prior service attrition.—Non prior service attrition in fiscal year 1981 averaged 6.7 percent of the total Selected Reserve population. While this is down 5.6 percent for fiscal year 1981, it still represents an unacceptable loss of 2,489 trained individuals. Our studies indicate the primary causes for these losses are: lack of individual identity with the parent Reserve unit; employment and family conflicts; and lack of creativity and imagination in Inactive Duty Training.

Prior Service Decline.—There has been a 10 percent net decline in the unit prior service population over the past 4 years. Of these, 4.3 percent were lost to the IRR in fiscal year 1981. This represents an actual loss of 1,418 prior service reservists. If this negative trend continues, the prior service population is projected to decline by 27.2 percent through fiscal year 1983.



PRIOR SERVICE POPULATION

Initiatives.—The Marine Corps' goal is to increase end strength to wartime requirement, achieve the proper number and mix of grades and skills required for mobilization, improve retention, and improve the quality of the force. To ameliorate the skill shortages and achieve the goal of 100 percent wartime strength, a vigorous attrition management program will be instituted, bonus utilization maximized, recruit tracking improved, retraining opportunities expanded and a comprehensive prior service recruiting program inaugurated.

Attrition Management Program

Unit Sponsorship Program.—We have found that many of our non Expiration of Obligated Service (EOS) losses occur while individuals are undergoing IADT or shortly after returning to their home towns. To overcome this problem, a unit sponsorship program was introduced in fiscal year 1981. This program insures communication between the unit and the individual during the entire period of IADT.

Revitalized Unit Retention Program.—In years past SMCR units were directly responsible for recruiting prior service Marines. This detracted from the personnel retention efforts. Beginning in fiscal year 1982, units will no longer be solely responsible for recruiting prior service Marines and can now concentrate on retaining their quality Marines in units.

Recruit Tracking Improvements.—In fiscal year 1982 the Marine Corps Reserve instituted an Entry Level Tracking System designed to: (1) easily identify and monitor prior and non prior service fill and recruiting requirements for the Selected Marine Corps Reserve (SMCR); (2) effectively plan and monitor the utilization of formal and informal schools to support SMCR non prior service training requirements; and (3) exercise central control over the assignment of military occupational specialities (MOS's) and school quotas to Reserve accessions. In fiscal year 1983 the system will be enhanced through automation. To humanize the system, selected Reserve full-time support personnel will be assigned to liaison duty at recruit depots and commands which provide entry level training to monitor, manage and track reservists on IADT.

Maximize Bonus Utilization.—The Marine Corps Reserve is presently 2,900 Selected Reservists short of the wartime requirement. Total manpower, however, only represents part of the equation. It is equally essential that the proper mix of skills and ranks be attained. Neither can be accomplished without a full range of incentives to recruit and retain the necessary Reserve manpower.

Education bonus.—Since the inception of this bonus in late fiscal year 1979, utilization has increased 300 percent. In fiscal year 1981 this bonus was oversubscribed by 166 percent. Through the first quarter of fiscal year 1982, 303 Reserves have enlisted for this bonus; more than two and one half times the total usage in fiscal year 1981 (110). These dramatic increases are a direct result of the Congressional action in fiscal year 1981 to increase the bonus from $2,000 to $4,000.

Enlistment bonus.—The performance has generally been disappointing.

Fiscal year 1979	113
Fiscal year 1980	88
Fiscal year 1981	174

Commencing in fiscal year 1982 we raised the maximum from $1,500 to $2,000. It could be made more attractive if reenlistment bonuses could be offered for either 3-, 4-, 5-, or 6-year enlistments as in the case of the active force.

Reenlistment bonus.—The reenlistment bonus is not working. Performance from fiscal year 1979 through fiscal year 1981 has been flat, achieving only 50 percent of the goal we had hoped to attain.

Fiscal year 1979	438
Fiscal year 1980	411
Fiscal year 1981	384

This poor performance is due to the fact that the dollar amount is insufficient. This is further exacerbated by the requirement to spread the payments out over the term of enlistment. For example, a reservist reenlisting for 6 years would receive a $900 initial payment and thereafter $150 a year for 6 years.

Expanded Training Opportunities.—Additional resources have been provided starting in fiscal year 1982 and 1983, which will afford an individual the opportunity to retrain in a short occupational field or increase job satisfaction through skill progression training.

Prior Service Recruiting Program.—We have relied on passive recruiting by Reserve units to attract prior service Marines and this approach has not worked. The decline in prior service strength is directly attributable to the lack of full-time, trained Reserve recruiters. A new prior service recruiting program has been inaugurated to solve this problem and ameliorate the skill and grade shortage problem.

The program has five major elements: centralized management; decentralized execution; a referral system; incentives; and a reporting feedback system. Management will be centered at the Marine Corps Reserve Support Center in Kansas City, Kans. Decentralized execution will be accomplished by 184 full-time Reserve recruiters operating in 14 regions out of 39 separate locations. A multi-source overlapping referral system will generate the leads necessary to satisfy SMCR units' prior service grade and skill requirements. A closed cycle reporting and feedback system has been developed that provides a vehicle through which all echelons can monitor, manage and redirect or refine the program in order to meet annual goals.

Congress has provided two of the vital ingredients necessary for the success of the program, full-time Reserve recruiters and additional funds.

Individual Mobilization Augmentees

In fiscal year 1981, over 200 individual Selected Marine Corps Reserve personnel were assigned to and trained in the billets which they will fill on mobilization. We expect to preassign an additional 700 during fiscal year 1982. Each IMA will be required to participate in at least two weeks of Annual Training Duty. Most IMA's will be required to attend 12, 24, or 48 inactive duty training assemblies dependent upon the amount of additional training required in peacetime to insure immediate and effective performance of duty when called to active duty. Individual Mobilization Augmentees are preassigned to such diverse and demanding billets as Fleet Marine Force staffs, Marine Corps Bases and Air Stations, mobilization processing facilities, major headquarters, the Selective Service, other service and joint activities, and Defense agencies.

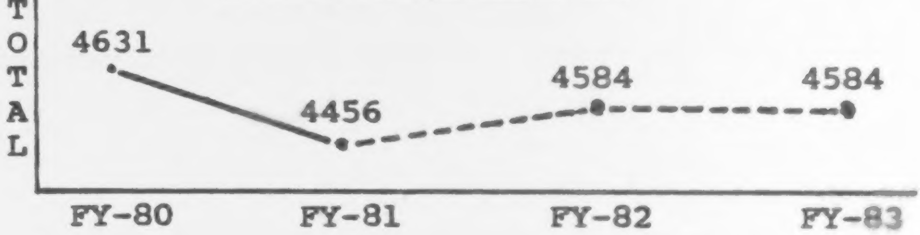
Individual Ready Reserve (IRR)

The Marine Corps goal for the IRR is to have sufficient pretrained personnel to fill 100 percent of the time-phased wartime requirement. The fiscal year 1981 end strength of 51,222 exceeds the M-Day to M+30 aggregate mobilization fill requirements. Minimal skill degradation has occurred since over 50 percent of the IRR have been off of active duty less than one year. The greatest demand for individual fillers upon mobilization will be in the ranks of captain and below, and sergeant and below. Sixty-one percent of the officers are captains and below while 97.3 percent of the enlisted are sergeants and below.

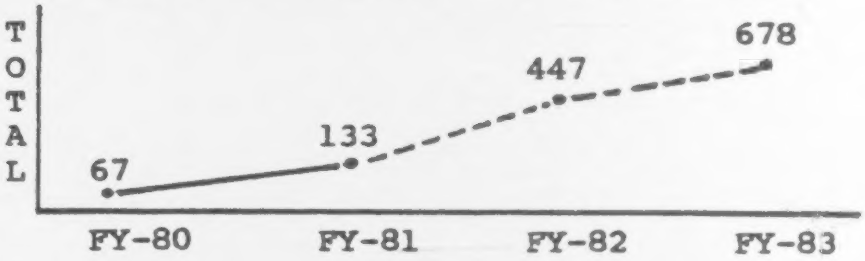
While the overall picture is generally healthy, the IRR population has declined 13 percent in the last three years. This is exacerbated by a shortfall of approximately 4,500 primary skills needed to meet the wartime requirement within some 35 critical military occupational specialties (MOS's). Areas where the greatest shortages exist include Data Communications, Transportation, Data Systems, NBC, Military Police, Electronic Maintenance, Aviation Ordnance and Air Control. Reinstatement of the IRR reenlistment bonus is needed to provide the essential monetary incentive to retain those critical mobilization skills which otherwise would be lost. In fiscal year 1981 the IRR reenlistment bonus achieved 210 percent of the original goal. Through this program, 1,051 reservists were retained in the IRR in a 6-month period.

Active Duty Support Personnel.—The Marine Corps' goal is to provide adequate numbers of full-time support personnel to assist in organizing, administering, recruiting, instructing, and training the Reserve component in order to sustain mobilization readiness, modernization, and expansion.

Active duty personnel will be assigned in the numbers which will insure a continual infusion of active force experience and expertise into the Reserve, while fostering an understanding of Reserve capabilities and employment potential within the active component. The fiscal years 1983–1987 program includes increases in the number of Active Duty Support personnel to accommodate the planned growth in the Selected Marine Corps Reserve.


ACTIVE DUTY SUPPORT

Reserve full-time support personnel on active duty will be increased to the levels and ranks necessary to satisfy requirements which would otherwise have to be met by active duty full-time support. The fiscal year 1983 program increases the number of Reserve full-time support personnel to accommodate the growth of the SMCR Division, Wing, and Force Service Support Group.


FULL-TIME ACTIVE DUTY RESERVE SUPPORT

TRAINING READINESS

To improve readiness, the exercise program is being expanded in fiscal year 1982. More mission oriented training will be conducted away from home centers and a greater number of units will undergo readiness testing. Increased emphasis will be placed on the integration of Reserve units into active unit schedules on a year-round basis. The mobilization readiness of individual reservists will be improved by: (1) placement of training emphasis on preassigned key mobilization manpower; (2) training individuals to meet mobilization requirements; and (3) training with Regular counterparts.

To attain these goals, exercise funding was increased in fiscal year 1982 and increased funding is again requested in fiscal year 1983.

Selected Marine Corps Reserve Units.—Training readiness gauges the capability of our Reserve units to mobilize and execute assigned contingency missions. The goal is to train the Reserve component in peacetime to operate as an integral part of the Total Force in wartime. Readiness is evaluated through the Marine Corps Combat Readiness Evaluation System (MCCRES), Mobilization Operational Readiness Deployment Tests (MORDT's), Inactive Duty Training, and field exercises.

Marine Corps Combat Readiness Evaluation System.—Using the same standards as applied to like active units, MCCRES offers a dynamic vehicle to measure unit readiness through evaluation of actual performance under realistic conditions. In fiscal year 1981, 7 of the 13 units tested were fully combat ready. Aviation units scored best, with 86 percent combat ready. Ground units continued to need improvement in command and control and fire support coordination at the battalion level. This problem is exacerbated by the geographical dispersion of the units. In fiscal year 1982 the number of units to be tested will increase 184 percent.

Mobilization Operational Readiness Deployment Tests.—MORDT's provide a measurable indicator of SMCR unit mobilization response through evaluation of those actions essential to the mobilization process. This includes testing the units' administration, logistic readiness, and emergency recall and embarkation procedures. In fiscal year 1981 95 units were tested. Of these, over 80 percent were rated substantially ready or better. The goal is to increase the percentage of units tested each year. For fiscal year 1982 there will be a 50-percent increase over fiscal year 1981.

Inactive Duty Training.—Our objective is to increase mission oriented training conducted in realistic environments away from Reserve training centers. In fiscal year 1981 215 units conducted weekend away training. In keeping with the objective, a 35-percent increase is planned for fiscal year 1982.

Field Exercises.—Field exercises afford a less structured medium through which readiness can be evaluated. The tempo of exercises seen in fiscal year 1980 continued through fiscal year 1981. Nearly 15,000 reservists participated in field exercises which were longer than a weekend in duration. Of these, 9 were major combined, joint or service exercises involving some 11,630 Marine reservists. In furtherance of the goal to integrate Reserve units with active forces, 21 Reserve units were assimilated into regular organizations during 3 exercises. This level of activity will continue in fiscal year 1982.

Individual Ready Reserve (IRR)

Reserve Counterpart Training (RCT).—The RCT program allows members of the Individual Ready Reserve to voluntarily participate in a 2-week program of active duty to enhance and refresh their military skills by training alongside their active duty counterparts. Besides benefitting reservists with "hands on" training, this program provides a source of replacements for temporary personnel shortages in active force commands.

Individual Ready Reservists have thus far participated in Rapid Deployment Joint Task Force exercises with the 1st Marine Amphibious Force, III Marine Amphibious Force exercises in Korea, desert firing exercises at the Marine Corps Air Ground Combat Center, and a Joint Chiefs of Staff mobilization exercise. In all, a total of 1,543 Individual Ready Reservists received refresher training through this program in fiscal year 1981.

In fiscal year 1982 approximately 1,075 officers and 500 enlisted Reserves will participate in the RCT program. This represents a 2-percent increase over 1981. The excellent show rate of participating reservists and the praise of host commanders are strong testimony to the effectiveness of the program.

Preassigned Individual Ready Reservists.—As a result of a recent congressional decision which permits the Military Services the use of involuntary training for IRR members, the Marine Corps plans to order to active duty for training those IRR members preassigned to critical mobilization billets requiring fill in the first 30 days of mobilization and who possess MOS's requiring refresher training. Involuntary training will be ordered only when it is possible to insure that appropriate skill refresher training will take place.

MATERIEL READINESS

A critical element in the ability of the Reserve to execute assigned missions upon mobilization is the materiel readiness of the SMCR units. While the Reserve has improved in other readiness areas over the past year, materiel readiness remains an area of major concern.

Ground Equipment

At the end of fiscal year 1981 the shortfall in ground equipment for the 4th Division/Wing team was $546.2 million.

Ground shortages

Commodity items:	*Cost (millions)*
Comm/elect	$92.6
Engineer	106.2
Motor transport	127.8
Ordnance	145.9
General supply	73.7
Total	546.2

Total equipment requirements are determined by aggregating the authorized Tables of Equipment (T/E) for each unit in the 4th Marine Division, 4th Marine Aircraft Wing and the 4th Force Service Support Group. The Reserve T/E's are the same as for like active units.

Of the total equipment authorized, approximately 45 percent is held by the units as a Training Allowance (T/A). The T/A is established as a function of the amount of equipment which can be satisfactorily stored and maintained at the training centers while at the same time fully satisfying the training needs of the units concerned. Thus, the actual T/A, as a percentage of T/E, will vary by unit. Unit T/A equipment is essentially compatible with that being used by the active forces.

The remainder of the Reserve T/E is programed to be held in a protected status in the stores system at the Marine Corps Logistics Bases, Albany, Ga. and Barstow, Calif. Upon mobilization, equipment held in the stores system is to be shipped to the units' Stations of Initial Assignment (SIA).

As a result of funding shortfalls in previous years, the Marine Corps' protected stocks are not adequate to satisfy total Marine Corps equipment requirements. This shortfall was exacerbated by the Enhanced Near Term Prepositioning Ships (ENTPS) program which caused a 10- to 12-percent reduction in equipment available for issue to the Reserve.

Increased fiscal year 1982 procurement funds have been directed toward reducing these shortages. If the present programmed funding levels remain intact during the period, the shortages will be reduced to $135.3 million by the end of fiscal year 1987.

FISCAL YEARS 1982-87 EQUIPMENT SHORTAGES

[By fiscal years, in millions of dollars]

	1982	1983	1984	1985	1986	1987
Communication electronics	86.2	82.1	77.5	20.9	18.0	5.7
Engineer	98.9	93.8	91.5	65.2	28.5	7.7
Motor transport	127.6	127.1	126.5	115.9	104.3	[1] 54.3
Ordnance	144.4	139.4	32.4	29.2	27.0	3.9
General supply	73.7	73.7	73.2	69.1	67.6	[2] 63.7
Total	530.8	516.1	401.1	300.3	245.4	[3] 135.3

[1] New start (fiscal year 1982) 900 series trucks ($53,700,000).

[2] New start (fiscal year 1982) shelter program ($56,500,000).

[3] Of the $135,300,000 shortage that will exist in fiscal year 1987, over $110,000,000 is for motor transport items and shelters being purchased for the active forces beginning in fiscal year 1982.

Secondary Items

Significant deficiencies also exist in secondary item support for Reserve forces. Secondary items include consumables (non-depot reparables, repair parts, 782 gear, etc.) and depot reparables (engines, transmissions, final drives, etc.).

FISCAL YEARS 1981-87 SECONDARY ITEM SHORTAGES

[By fiscal years, in millions of dollars]

	1981	1962	1983	1987
Consumables	86.5	73.2	46.9	[1] 46.9
Depot reparables	51.5	49.5	49.5	[1] 49.5
Total	138.0	122.7	96.4	96.4

[1] Program initiatives are being considered to further reduce this deficiency.

Navy Funded Stocks.—Medical, dental and aviation support for the SMCR is provided from the Navy War Reserve Program (NAVWRP). The stockage objective is 60 days of supply. Serious shortages exist due to a low priority of funding. Deficiencies of $36.0 million exist in aviation items, and $6.8 million in medical and dental items.

MODERNIZATION

Commencing in fiscal year 1983 we intend to embark on an extensive, phased seven year modernization plan to restructure and equip the ground, combat service support, and aviation elements in order to provide those capabilities and functions needed to satisfy full wartime requirements.

Ground Combat Forces

The ground forces will be streamlined by reducing infantry strength while increasing firepower and reinforcing elements.

Commencing in fiscal year 1982, the infantry battalion structure will be aligned with that of the active forces and reduced in manpower from 1,144 to 897. The structure will be realigned to match actual numbers of reservists at specific locations. This will afford a closer match of structure to personnel on hand, and should increase personnel readiness while accommodating the unequal geographic dispersion of Marine reservists.

Infantry firepower will be increased with the introduction of the following new weapons systems during fiscal year 1982 through fiscal year 1987; the MK19 heavy machine gun; the shoulder launched multi-purpose assault weapon (SMAW); the high mobility multi-wheeled vehicle (HMMWV); and the lightweight 60mm mortar. Introduction of the M198 howitzer is anticipated.

The following organizations, needed to deploy three active MAF's at wartime strength but which cannot be programmed into the active forces, are planned for addition during the mid-1980's (Funding permitting):

Force Reconnaissance Company (154 billets); Civil Affairs Group (194 billets); Special Security Communications Team (7 billets); Air Naval Gunfire Liaison Company (343 billets); Sensor Control and Management Platoon (46 billets); TOW Platoons (318 billets); and Target Acquisition Battery (179 billets).

Starting in fiscal year 1984 a Reserve Marine Amphibious Brigade (MAB) Headquarters will be structured and manned in order to provide additional contingency flexibility to accommodate a separate MAB deployment or to act as the basis for expansion to a fourth MAF headquarters.

Combat Service Support Forces

During the 1980's, a 56-percent expansion is planned for the 4th Force Service Support Group. This will structure, man and equip the 4th FSSG to optimally reinforce and augment the active FSSG's to satisfy surge requirements, enhance sustainability and provide combat service support to a separate MAB or a Reserve Division/Wing Team if augmentation and reinforcement are not ordered. The expansion will be undertaken in two phases.

Phase I (fiscal years 1981–1983).—Build the six existing battalions to wartime structure by activating contingency billets and reactivating cadred units to include the Medical and Dental Battalions (1,907 billets).

Phase II (fiscal years 1982–1986).—Plan to add two Bulk Fuel companies, a Beach and Port Operations company, an MP Company and various platoon size units (1,833 billets). This new structure is required to deploy the active FSSG's at full wartime strength, but cannot be programed into the active forces.

Medical Support Forces

A major initiative being undertaken in coordination with the Navy is the activation, manning, and equipping of the 4th Medical and Dental Battalions in order to reinforce the active MAFs, provide a surge capability, and support the Reserve MAB. This significant effort will take several years to bring to fruition, entailing close collaboration between the Navy and Marine Reserve to make it work.

An essential complement is the provision of adequate medical support to the combat and combat support elements of the 4th Division and Wing. To insure Reserve units are prepared to mobilize with their organic medical personnel, Navy Reserve personnel will be assigned to billets within the 4th Division and Wing and Navy Reserve participation in Marine Reserve unit inactive duty training and annual training will be increased.

Aviation Forces

Currently, the 4th Marine Aircraft Wing is limited in its capability to augment and reinforce the active forces with modern aircraft due to: aging aircraft, shortages, incompatibility between active and Reserve aircraft and block obsolescence.

Aging Aircraft

The SMCR aircraft inventory consists of attack aircraft that are 14 to 17 years average age, fighters that average 16 years of age, and transport helicopters that average 14 years of age.

Aging aircraft require increased maintenance time. A comparison of the average number of Direct Maintenance Man Hours required per flight hour is shown below:

Fleet wide:		4th MAW:	
A-4M	23.8	A-4E	42.9
OV-10D	16.6	OV-10A	43.0
KC-130R	14.9	KC-130F	51.6
CH-53D	35.9	CH-53A	41.9
AH-1T	23.5	AH-1J	49.0

Aircraft Shortage.—The age problem is further aggravated by lack of aircraft in certain mission areas.

Type:	*Shortage*
KC-130	7
C-12B	1
AH-1J	17
OV-10A	3
CH-53A	2

Incompatibility between active and Reserve Aircraft.—SMCR F-4 fighter and A-4 attack aircraft will be incompatible with active forces upon introduction of F-18 and AV-8B in the mid-to-late 1980's.

Fiscal year 1982-85: Active: F-4s, A-4M; Reserve: F-4N, A-4E/F.

Fiscal year 1985-90: Active: F-18, AV-8B; Reserve: F-4S, A-4M.

Block Obsolescence of Aircraft.—Marine Reserve aviation faces mid-range and long-range problems of block obsolescence with its aircraft:

Force levels, of F-4S and A-4M aircraft cannot be maintained past 1990 and 1992, due to normal attrition.

Service life for the OV-10 expires in 1987.

CH-46 and CH-53A service life expires in 1993-95.

Modernization Program.—The Marine Corps has developed a long range modernization plan to upgrade the capabilities of the 4th MAW. The achievability of this plan is directly dependent upon the availability of necessary funding and the ability to recruit skilled Reserve full-time support personnel.

Transport Aircraft

The Marine Corps is deficient in KC-130 aerial refueler/intra-theater transport aircraft.

Requirement: 10 squadrons. Current: 4 squadrons (3 active) (1 Reserve). Short: 6 squadrons.

Recognizing this deficiency, Congress directed the Department of the Navy to begin a phased program to complete the squadron at Glenview, Illinois and begin a second squadron. Expedited procurement of KC-130 aircraft for the Reserve was also directed. With the addition of the 4 KC-130's appropriated in fiscal year 1982, the shortage in the current squadron will be reduced to three. Funding to build a second squadron could not be accommodated in the fiscal year 1983 budget. This leaves a total of 17 KC-130s which must be procured to fill the Congressional mandate.

Helicopters

Attack helicopters.—There is a Marine Corps wide critical shortage in AH-1 attack helicopters.

Requirement: 15 squadrons. Current: 4 squadrons (3 active) (1 Reserve). Short: 11 squadrons.

The Reserve squadron only possesses 8 of the 24 aircraft authorized. Present plans look toward transferring 16 AH-1J aircraft from the active forces beginning in fiscal year 1986 in order to bring the Reserve squadron to its authorized strength. While this improves the numbers, it does not lessen the aging problem.

The urgent need is to increase the helicopter anti-armor capability to counter large numbers of mechanized and armored units which will be encountered on a high threat battlefield. Only the AH–1T (TOW) has an anti-tank capability. This is an ideal mission for the Reserve as the manpower, airfield, and support facilities are available and the AH–1T requires 50 percent less maintenance than the AH–1J. The goal is to add one AH–1T squadron (24 aircraft) to the Reserve structure (tentatively planned to be based at Atlanta). Fiscal year 1985 is the earliest this initiative could be considered due to funding priorities.

Transport helicopters.—In fiscal year 1982 and fiscal year 1983, 6 CH–46 and 4 CH–53 aircraft will be transferred from the active forces. This will bring the two CH–46 squadrons to authorized strength and increase the CH–53 authorized strength to 22 aircraft.

Attack Aircraft

The present plan is to replace the A–4E/F with the more capable active force A–4M beginning in 1987. This may be expedited if the active force conversion from A–4 to AV–8B is accelerated. If this occurs, the Reserve attack squadrons may be assigned the "real world" CINC commitments as the active squadrons stand down and convert. The ultimate goal is to replace the A–4 with the AV–8B, in order to achieve compatibility with the active forces. An interim solution is to activate an AV–8C squadron within the Reserve some time in the fiscal year 1988 time frame, pending resolution of the introduction of the AV–8B into the Reserve force.

Fighter Aircraft

The two Marine Corps Reserve F-4N squadrons will begin conversion to the F–18 beginning in 1985, concurrent with the active force conversion to the F–18. In keeping with total force employment, the Reserve squadrons will probably be employed to cover active force contingency commitments during the F–18 transition. With the completion of the conversion of the active force into the F–18, programing will commence to acquire the F–18 for the Reserve force.

MOBILIZATION

A strategy which stresses the importance of improving plans and capabilities to respond to world wide crisis situations, demands an equally responsive mobilization process. Our earlier mobilization planning did not fulfill the goal, so about a year and a half ago, we started working to review, refine and update the mobilization process. Progress has been made, but much more remains to be done.

Management.—A first step was to form an inter-staff mobilization committee within the Headquarters to coordinate all aspects of mobilization planning and to oversee testing and evaluation.

Unit mobilization.—In response to the refinement of unified command operations plans, the process of selecting specific Reserve units to respond to CINC requirements is underway. This is a change from former procedure which was to identify national units shortly prior to or on M-day.

We have determined that the procedures which must be followed to mobilize units require review, testing, validation and modification. Included are warning orders, mobilization orders, transfer of personnel to active status, pay procedures, dependent care, movement of personnel and equipment to assigned Stations of Initial Assignment (SIA's), and the integration of mobilized units into the active structure. Many of the new procedures, which can be adopted unilaterally, will be institutionalized by fiscal year 1983.

A most pressing joint service problem is the refinement of a coordinating mechanism which will permit the services to simultaneously move their Reserve units and associated equipment under conditions of large scale mobilization.

Individual Mobilization.—Of equal importance is the assurance that qualified individuals are available to fill vacant billets at the time and place needed. Our approach will be directed toward preassignment, simplifying call-up procedures and streamlining of individual processing.

Preassignment.—Pretrained individual reservists are being selected and preassigned as Mobilization Designees (MobDes) in critical billets which must be filled between M-Day and M+10. These MobDes personnel will be trained in peacetime to insure their availability to fill these billets without post-mobilization training. By the end of 1983, the Marine Corps will have identified approximately 75 percent of these billets.

Simplifying Call Up Procedures.—Approximately 90 percent of the individual Reserve population will remain unassigned. The assignment of these personnel upon mobilization will be scenario dependent, but their call-up, when required, must be accomplished in an expeditious manner using mailgrams. To insure prompt notification, appropriate authorization is needed which will require Western Union and the U.S. Postal Service to handle military mailgrams on a priority basis during mobilization. Regulatory authority is also needed to require commercial carriers to honor travel warrants included in mailgrams. We are working with the Department of Defense on these issues.

Streamlining Individual Processing.—Fifty Mobilization Stations, manned by preassigned mobilization designees, will process individual reservists and retired personnel upon mobilization and prior to their assignment to active duty. Mobilization Processing Centers (MPC's) at each SIA will assign incoming individuals (IRR, Standby, FMCR and retirees) to their new commands and provide the coordination/liaison necessary to facilitate the arrival of SMCR units and their associated equipment.

FACILITIES

There is a pressing need to replace, renovate or upgrade 87 training centers in order to afford an acceptable training and habitability standard for the Reserve. Unless the present rate of replacement is accelerated some of these centers will be in use well into the next century.

The opportunity to replace inadequate Marine Corps Reserve facilities with newly constructed joint centers is constrained by a chronically underfunded military construction program for the Navy and Marine Corps Reserve. Although the program has shown some growth over the past several years, the rate of increase has not kept pace with inflation.

The fiscal year 1983 Military Construction Naval Reserve (MCNR) program includes nine projects in support of the Marine Corps Reserve, leaving a $196 million backlog. This backlog consists of 15 projects which are programed, but unfunded, plus an additional 63 training facilities which require construction, replacement, renovation or upgrading, but are unprogramed.

MANAGEMENT

The readiness and mobilization potential of the Reserve can only be effective as the management structure which subtends it. Commensurate with the planned expansion of Reserve capabilities is the requirement to initiate management organizations, procedures and systems which will effect maximum efficiency at the most economical level.

Starting in fiscal year 1982 we have inaugurated actions which will institute a streamlined management base upon which to build a revitalized Reserve organization.

Individual Reserve Management.—Before fiscal year 1982 the Marine Corps Reserve had no management structure to receive, administer, train, assign, support the mobilization of, and, eventually, discharge individual reservists. The Marine Corps Reserve Support Center (MCRSC) has been established at Kansas City for this purpose and is expected to achieve full capability by fiscal year 1984. With the advent of this organization, we look toward the realization of efficiencies not heretofore possible.

Better response and more effective administration will be achieved in the maintenance of 82,000 Reserve records and the expedition of 140,000 monthly transactions. Training management of individuals to meet mobilization requirements will be instituted. Individual Ready Reservists will be grouped and managed to ensure identification and availability of proper rank and MOS mix. Critical skill shortages will be reduced. Further expansion of the IMA program will be possible, thus ensuring early fill for critical mobilization billets.

Reserve Manpower Management and Pay.—Culminating a 7 year effort, the Marine Corps' Reserve Manpower Management and Pay System (REMMPS) became operational in January of this year. REMMPS provides an automated means of drill attendance accounting, retirement credit reporting, and expeditious payment of individual reservists (reducing payment time from 60 to 14 days).

Automated Data Processing (ADP) Systems

An automated data processing center will be established in fiscal year 1982 at the Marine Corps Reserve Support Center. This will fill a serious void in our capability to administer, train, and mobilize reservists. It will also permit us to replace antiquated manual methods of reporting and monitoring data, accessions, training, budgeting and the like.

Beginning in fiscal year 1982, automated data processing equipment will be introduced into the SMCR units. Funding has been approved by Congress to purchase 111 devices in fiscal year 1982, and funding for 100 additional devices is included in the fiscal year 1983 budget. The introduction of this automated data processing equipment will provide our SMCR units with equipment that is compatible with the active forces. It will permit them to update the present cumbersome and often inaccurate manual input methods.

Drill Attendance Reporting

In response to Congressional concern, as well as the drive to eliminate waste, fraud, and abuse, the Marine Corps Reserve took steps in fiscal year 1981 to correct inaccurate Reserve drill attendance reporting. The Defense Audit Service reported that the problem existed at the reporting unit level. As a result, utilization of the field report was deleted as a fiscal management tool and the payroll report adopted as the basis for drill attendance reporting. Inspectors General conducted 294 inspections of unit drill attendance reports. No improprieties were discovered. Drill attendance reports were reviewed against the drill pay checks received for disbursement to individual reservists. As a result, 115 checks, totaling $14,738, were returned in fiscal year 1981. These checks were issued as a result of administrative error rather than unwarranted claims.

The replacement of the old field reporting system with the new Reserve Manpower Management and Pay System (REMMPS) in fiscal year 1982 will permit an even more accurate, real-time basis for calculating obligations and tracking drill attendance.

THE BUDGET

The fiscal year 1983 Reserve budget request of $214.3 million is a carefully formulated fiscal program to continue improvement in mobilization readiness and to support an SMCR end strength of 39,744 (38,300 average strength). It represents only 2.9 percent of the overall Marine Corps; a decline from 3.0 percent in fiscal year 1982.

Real growth averaged 2 percent from fiscal year 1978 to fiscal year 1980 with an increase of 10 percent in fiscal year 1981 and 11 percent in fiscal year 1982, when the proposed supplemental is included. In fiscal year 1983, the budget projects an increase of 6.7 percent in real growth.

For comparison, the fiscal year 1982 budget and fiscal year 1983 request are displayed by appropriation in the following tables.

MARINE CORPS RESERVE

[By fiscal years, in millions of dollars]

Appropriation	Fiscal year 1982	Fiscal year 1983
Reserve personnel, Marine Corps (RPMC)	141.5	165.9
Operation and maintenance, Marine Corps Reserve (O. & M.M.C.R.)	40.3	48.4
Total	181.8	214.3

FISCAL YEAR 1982 SUPPLEMENTAL

[In millions of dollars]

RPMC: Program	Total
Pay raise	12.9
DOPMA (enlisted subsistence)	.8
Temporary lodging entitlement (TLE)	.1
PLC	.9
Contract meals	.3
Drill attendance	.7
O. & M.M.C.R.: Pay raise	.1
Total, Reserve	15.8

RPMC

The $15.7 million RPMC supplemental represents: (1) $12.9 million for the fiscal year 1982 military pay raise; (2) $0.9 million to support increased training of officer candidates in the Platoon Leadership Class (PLC); (3) $0.7 million to increase the drill attendance percentage from 85 percent to 87 percent (fiscal year 1981 actual was 87 percent); (4) $0.3 million to support contract messing requirements; and (5) $0.9 million to support entitlements in subsistence and temporary lodging mandated by Public Law 96-513.

O&MMCR

A supplemental of $0.1 million for O&MMCR is requested to support the 4.8 percent civilian personnel pay raise.

FISCAL YEAR 1983 BUDGET

RPMC

The fiscal year 1983 RPMC Appropriation Budget request of $165.9 million will support funding requirements for pay and allowances, subsistence, clothing and travel for unit and individual training and for other training support.

Reserve personnel, Marine Corps, fiscal year 1983

	Amount (millions)
Unit and individual training (budget activity 1):	
Pay and allowances, travel and clothing for SMCR	$78.723
Individual mobilization augmentees	3.200
Initial active duty for training	40.157
Training prior to recruit training	.427
Subtotal unit and individual training	122.507
Other training and support (budget activity 2):	
Mobilization training of individual ready reserve (IRR)	$2.411
School training	6.419
Special training	7.630
Administration and support	18.780
PLC	6.625
JROTC	1.528
Subtotal other training and support	43.393
Total appropriation	165.900

Unit and Individual Training

The $78.723 million includes pay and allowances for an average strength of 2,338 officers and 30,037 enlisted within the units of the SMCR. This is an increase of 11 officers and 182 enlisted over fiscal year 1982. Funding is also included for replacement of uniform clothing.

$3.2 million is targeted for Individual Mobilization Augmentees. The funding supports an average strength of 574 officers and 362 enlisted divided as follows: Pay Group A-436; Pay Group B-100; Pay Group C-300; and Pay Group D-100.

The $40.157 million will permit the Marine Corps Reserve to access and process through Initial Active Duty for Training, 9,005 reservists in fiscal year 1983. This is an increase of 183 trainees over fiscal year 1982.

Other Training and Support

The $2.411 million for Mobilization Training of Individual Ready Reserve provides 1,075 officers and 500 enlisted the opportunity to participate in counterpart and skill refresher training.

The $6.419 million for School Training encompasses the formal training required for refresher/proficiency, career development, acquisition, and unit conversions. School training will be provided to 2,179 officers and 1,552 enlisted, an increase of 9,438 mandays over 1982.

The $7.63 million in Special Training funds exercises, conferences, operational training, management support, service mission support, competitive events, recruitment and retention. A total of 1,730 officers and 1,002 enlisted will participate in fiscal year 1983, an increase of 3,828 mandays over fiscal year 1982.

Administration and Support

During fiscal year 1983, 124 officers and 504 enlisted full-time support Reserve personnel are planned to be on active duty under title 10 USC, sections 265, 672(d) and 678. This is an increase of 3 officers and 242 enlisted from fiscal year 1982.

To achieve the growth discussed, while maintaining quality and reducing skill shortages, $2.712 million has been allocated to enlistment, reenlistment and educational assistance bonuses.

As an additional aid in reducing grade and skill degradation, $413 thousand has been earmarked for the SMCR Affiliation Bonus. This is an increase of 658 bonuses over fiscal year 1982.

In fiscal year 1983 we intend to increase the Platoon Leaders Class (PLC) by 630 mandays. This will require $6.625 million for pay, subsistence, travel, and clothing. These personnel attend two periods of summer training and, upon completion of training and graduation from college, are commissioned in the Marine Corps Reserve and assigned to active duty for 3 years.

The $1.528 million for Junior ROTC provides for the initial issue of uniforms for 3.050 new students who will be trained during fiscal year 1983.

O&MMCR

The fiscal year 1983 O&MMCR Appropriation Budget request of $48.4 million provides the funds for the day-to-day costs of operating and maintaining Marine Corps Reserve forces, functions, activities and facilities.

Operation and maintenance, Marine Corps Reserve, fiscal year 1983

Budget activity:	*Amount (millions)*
Mission forces	$24.7
Depot maintenance	1.5
Other support	22.2
Total	48.4

Mission Forces.—The funding of $24.7 million contained in Mission Forces provides for SMCR unit training, equipment, operation and maintenance costs which support inactive duty, weekend away and annual Active Duty Training. Included are funds for Mairne Corps Reserve participation in JCS directed and coordinated exercises, intraservice, and interservice training exercises and field training exercises and command post exercises. To improve SMCR readiness, the following increases are included:

$3.0 million finances increased training readiness. The increase encompasses commercial hire of vehicles, transportation costs, fuel, consummable supplies, and repair parts to support the weekend away and ATD training program. Also included are replenishment/replacement and acquisition of equipment to partially fill existing deficiencies in both organizational and individual training allowances as well as initial issue of new items of equipment being introduced into the inventory.

$.8 million to support an SMCR strength increase of 1,204 personnel and 4th Marine Aircraft Wing modernization.

Depot Maintenance.—The $1.5 million finances fifth echelon Depot Maintenance and rebuild of 83 major end items of Reserve training equipment. Included is an increase of $.1 million to rebuild additional secondary reparable items required to support the tempo of training.

Other Support.—Funding of $22.2 million in Other Support is budgeted for Base Operations and Other Activities.

$11.3 million is allocated for Base Operations. This includes funding to maintain and operate our training centers, pay 4th Marine Division-Wing Team civilians, maintain SMCR unit ADP devices, and provide other necessary base services. A small increase of $800 thousand accommodates the introduction of additional SMCR ADP devices and permits some training center upgrade through replacement of obsolete and unserviceable plant property. In addition, the increase includes civilianization of 9 military billets to improve administrative and fiscal continuity and make more efficient use of limited military resources.

Other Activities. $10.9 million.

Over half of the funds included under this category ($5.7 million) are devoted to supporting the level of recruiting effort and advertising necessary to attain the planned non prior service accessions and increase the sorely needed prior service input. The total represents a small increase of $745 thousand over fiscal year 1982.

$4.2 million is allocated to the operation of the Marine Corps Reserve Support Center in its role as the locus of individual management activity. The increase of $400 thousand from fiscal year 1982 has been incorporated to insure full operation by fiscal year 1984 and effective execution of the broad supervisory mission.

The remaining $1.0 million encompasses such diverse items as postal expenses, headquarters personnel travel and entry fees for competition in arms.

CONCLUSION

Mr. Chairman, as I stated at the outset, the Marine Corps Reserve is alive and well. Each year we see it grow in vigor and potential, assuming an ever widening role as a vital adjunct to the active forces. It would be easy at this point to lie back and rest on our laurels, content with the current rate of progress. We know, and you know, that this is not enough. We may never again have the luxury of a leisurely mobilization. World events move swiftly and the Reserve must be ready to react as quickly.

We are accelerating the cadence; moving to improve readiness, modernizing our forces and facilities and introducing efficient management. The road to fulfillment will not be easy, but I am confident with money, sweat and a little luck the job will be done. I would only ask that you, the Congress, continue to offer understanding and sustenance without which the task would be arduous if not impossible.

DRUG PROBLEM

Senator JEPSEN. Before I defer to Senator Cohen for any remarks he may have and before opening to questions, comment on the drug situation. I commend you for the efforts and the feedback I have received in briefings. It has been very encouraging.

Unfortunately, our society faces a very serious problem with drugs and the military community is a reflection of our civilian society. I applaud your efforts to curb this drug problem and pledge again that we will cooperate and work with you in the effort to continue to resolve that by swift and effective prosecution and education and publicity. All these things are necessary in the work you are doing.

I shall introduce a military justice reform bill next month which I hope will further assist you in this area.

Senator Cohen?

Senator COHEN. Thank you, Mr. Chairman.

I don't want to repeat myself. A couple of days ago we had testimony before the committee concerning returning to a draft.

RETURN TO THE DRAFT

Admiral Zech, I was particularly interested in your comment that with your support, meaning our support, for the volunteer force you are confident you can achieve your goal. Now, if I were playing lawyer, I would say that, by implication, you support the present policy of maintaining the All-Volunteer Army. I could also perhaps draw from that statement the implication that you would not necessarily favor returning to a draft, because it wouldn't have that significant an impact upon the Navy's critical problem, and namely retention.

I want to get into that a little bit before we go on any further, but I want to make some general observations. I get somewhat frustrated in reading article after article about how our current military is deficient, is dumb and incompetent, is disproportionately black, is simply unable to read the manuals necessary to operate the equipment, and it goes on and on and on.

Of course, then, you find out that when you start rebutting each of those allegations, they are simply wrong. You find that the number of young black men and women coming into the service actually have a higher high school diploma ratio than the whites. So that the implication which has racial overtones saying you have got too many blacks coming in and by the way they are not well educated is false. The fact is that the statistics show that they have actually got a better education on a percentage basis than even the whites coming in.

Then we hear about how bad the situation is in the service. But we find that the Pentagon has taken a rather extensive survey of some 12,000 people in this country, and they found, at least on a servicewide basis that those in the military service score higher than the general population.

So, once again when you start looking behind the allegations, you find that we are a lot better off than some would like us to believe. So this notion that somehow we are deficit or dumb or incompetent doesn't really stand up.

Whatever deficiencies we have had in past Congresses in terms of supporting the services have played a role in bringing about those deficiencies. We played a role by undercutting your budgets, recruitment budgets in particular. We played a role in what we did in the post-Vietnam period in terms of not doing enough to instill a great sense of pride in our military service. We have a large measure of responsibility.

What takes place is, we start beating the drum beat that because the military is somehow deficient we have got to return to a draft, and we raise all of these allegations about our problems without really looking at the underlying nature of them.

Then after we go back and disprove all of the allegations, they say, yes, but a professional Army is un-American. That is the latest charge that we have, that a professional Army or military is un-American, when in fact in our history of over 200 years we have had a draft only 25 to 30 years of those 200-and-some-odd years. So it is not un-American. As a matter of fact, the American way, as the President has said, has been the volunteer way.

I am not suggesting that I am categorically opposed to a draft, but what I am concerned about, and what I started 3 years ago with Senator Jepsen's help, is to deal with the notion that if we just get back to a draft we won't have to deal with these other problems, that we will be more patriotic, that people will stay in the military because we have got a draft and we once again have pride.

I just got back from the Indian Ocean. I visited the U.S.S. *Kennedy* and the unusual trip over the U.S.S. *Barney* because nobody ever goes to the frigates. They all go to the aircraft carriers. You know, I was really impressed. I was really impressed with the caliber and the quality and the enthusiasm of those young men out there, and I think that more people have to get out there and see the kind of service that they have to put in in the long periods away.

I had a session with chief petty officers and it was a good, frank session. They told me some of their problems and their gripes. They are out there for 8 months at a time, and it is a pretty tough life. It is a damned tough life, and we don't appreciate the kind of sacrifice they go through and what it means to their families back home. All we do is come back here and say well, they are deficient, they are not ready, they are not competent and, by the way, they have got a drug problem out there. Well, I wonder how much that drug problem corresponds to the drug problem we have in our entire society.

So I begin on the note that I am rather proud of what I have seen to date. It has come from the leadership of gentlemen like yourselves. It started in the Marines, I think, with Lew Wilson, General Barrow, General Bronars, yourself, and Admiral Haywood. There has been a dramatic turnaround in the last 3 years. I think it has come about principally from you and helped somewhat by us, in terms of finally coming to the reality of dealing with the problems that the people in the Navy and in the Marine Corps are not unpatriotic. I mean this is somehow the notion that because they are volunteers, they are unpatriotic.

VERY PATRIOTIC

I keep going back and saying, you know, they are just as patriotic as they have ever been. The problem is they keep looking at that balance sheet. They keep trying to balance the budget. They look at their kids and they can't afford to send them to college, and they can't pay their bills and fuel is going up and whatever. But they are just like everybody else. They are committed, they are dedicated, but they also have to look at that bottom line, and the bottom line says they lost 20 percent of their purchasing power over the last 10 years.

So you put all those hardships together. Then, you add that to the fact that they are going and sinking faster and faster and their wives can tell them, well, look, if you get out of the service you can come home and you can work at Bath Ironworks or some place like that or get an electrical engineering job and you can be home by 6 every night for dinner and make twice the money, and by the way you will have weekends at home with the kids.

Now, that is the kind of problem we have got to deal with, and just talking about returning to a draft as if that is going to solve our problems isn't going to do it.

Now, if we have to have significant increase in numbers, we will have to go to a draft. There is no doubt about it. But I haven't seen that justification just yet. Furthermore, I am concerned that if they immediately switch to the draft, you are going to see the initiatives that were undertaken in the last 3 years put on the back burner. They will say, now that we are patriotic once again we don't have to deal with those manpower issues, and there will be no more pay increase and no more bonuses and no more incentives to make a career out of the military. That is my own assessment of what will take place.

My own efforts to deal with this issue have not been solely based on opposition to the draft. I would support it if I find that we have to go in that direction, but we have to do it for the right reasons and not because we look and say, they are dumb or deficient or incompetent or not ready and not look at the underlying issues as to why we are or were in that state.

Well, that is enough of the speech. Now I would like to get to the questions.

READINESS PROBLEM

Admiral Zech, last year the committee was told that we were suffering from a readiness problem because we had a shortfall of some 20,000 petty officers. This year, after all the incentives that Senator Jepsen and others have voted for, with pay increases and reenlistment bonuses and so forth, we have, I think, about a 22,000 shortfall in the petty officer category. How do you account for that?

Admiral ZECH. First of all, Senator, if I may, I certainly appreciate the fact that you visited our people in the Indian Ocean and you saw our ships. You certainly have an outstanding insight into what is going on in the Navy today and I appreciate your taking the time to look at that firsthand. That means a lot to me and to Navy people. I know it will be helpful to your colleagues because it is so important to know exactly what is going on.

Senator COHEN. I think everybody should have the experience of going out and watching night operations up there and get right on that deck as they come through. Then they wouldn't talk about how incompetent our people are.

Admiral ZECH. If you haven't seen the carrier operations at night, you haven't seen one of the most fantastic precision military maneuvers that takes place. We are doing that every day of the year, as you well know Senator, and it is an impressive military operation.

You are exactly right; our people are not incompetent. They are very competent. They are dedicated and hard working, as you saw. I am grateful that you visited the carrier.

Senator COHEN. I want to tell you that it also served a very parochial interest on my part. There were 30 boys from Maine on the *Kennedy*, and they had never met each other before.

Admiral ZECH. You got them all together?

Senator COHEN. I got them all together in one room.

PETTY OFFICER SHORTFALL

Admiral ZECH. Let me speak very briefly on our petty officer shortfall, Senator, because it is somewhat misunderstood. Our petty officer shortfall this year is 22,000.

However, many people misunderstand our shortfall. We do not have a total shortage of people in our Navy. It is not an end strength shortage. The shortage occurs in the numbers of petty officers and the experience of our senior people. We have the right number overall. We have the quantity we need, but we do not have the petty officers with sufficient experience.

The experience we lost in the past few years resulted from, as you alluded to earlier, the nonsupport of our military, after the Vietnam war and the many draws in civilian society that caused us to lose petty officers. So we have had a serious shortage.

In the past year, because the compensation improvements enacted by the last two sessions of Congress have been so significant, we have had a dramatic turnaround, a very remarkable turnaround. It has arrested that "hemorrhage of talent." Just in this past year we have stopped that "hemorrhage of talent."

The question can be asked. Why wasn't the petty officer shortage of 22,000 reduced and I realize that is your question. First of all, let me say that we have 5,000 more petty officers in the Navy this year than we had last year. However, the reason the shortage didn't decrease significantly is simply because we have growing requirements. The 5,000 additional petty officers were used to man those requirements.

The downturn in our attrition and the upturn in retention has given us great confidence. We predict that at the end of this year our overall shortage will decrease from 22,000 to 18,000. We know we are on the right track.

Even more encouraging for us, Senator, is the fact that as we project our plans for the future, and see what our requirements are and what our inventory—our actual inventory of petty officers—is doing, we project that as we grow to our 600-ship plan by about 1990, that at the same time our petty officer shortfall will go to zero.

It looks like we are on track and we are doing the right thing to meet that goal of bringing the petty officer shortage to zero by 1990 when we will have our 600-ship Navy. Every year from now on our petty officer shortfall should improve. We have bottomed out and we are on the right track.

Senator Jepsen. Do you have any questions for either one of the Reserve panel members?

Senator Cohen. No.

Senator Jepsen. I acknowledge that you will be leaving about 10:15, and I am not trying to push you out the door, but I understand you have another hearing.

NAVAL RESERVE

Admiral Palmer, the Naval Reserve projected that the gap between its size and its requirements will not diminish in the next 5 years. Instead, it will actually increase to the point where the Naval Reserve will be more than 25,000 sailors short of its requirements by fiscal year 1986.

What is the major problem preventing the Naval Reserve from growing at a faster pace? Is it simply a lack of money?

Admiral Palmer. No, sir. It is a lack of capability to grow that fast. This year we are trying to grow from 87,000 to 94,000 which is an increase of about 8 percent. We made a similar increase in calendar year 1979.

I think we may be able to achieve the planned growth this year. It will be about April 15 before I will have enough points on my graph to decide whether or not we can do it. I am not pessimistic nor am I optimistic. We'll see.

There is a difference between requirements and our capability to fill them. Every program in the Navy is that way. Right now our programed strength in the out-years is about 85 percent of requirements. We can probably get about as high as 90 percent filled in some areas.

For example, the large increase in the NAMMOS requirements, the Navy Manpower Mobilization System, out-year projection is in the health care field, physicians, nurses, and especially hospital corpsmen, that fill the fleet hospitals which are now being funded. We are talking about approximately 12,000 billets. I now have about 4,000 billets of which 2,800 are filled.

It is unlikely, in my opinion, that we can suddenly fill 12,000. There are many other billets which under our present circumstances, are unattainable. Medical support is just one example. The Chief of Naval Operations has stated that he will fund what is considered attainable out of the requirements. You can't ask for any more than that.

What is happening is that the requirement numbers are going up more rapidly than we are growing, but we are making significant growth and we do plan to continue to grow. It is just that the out-year requirements are increasing faster than I think it is possible to grow.

Senator Jepsen. Mr. Herrington, what are the views of the current Navy leadership with respect to the Reserves, specifically on the issues of equipment, increased mission, and organizational change? To be perfectly honest with you, I am concerned about increasing the Selective Reserve strength if they do not have the equipment to train or mobilize with. Would you care to comment on that?

Mr. Herrington. Yes. Obviously we would not want to grow the Reserve if we could not give them legitimate missions and sufficient equipment to carry out those missions.

MISSION OF RESERVES

Senator Jepsen. Excuse me, may I interrupt. Has the mission of the Reserves grown in recent years?

Mr. Herrington. Yes. As my opening statement pointed out, we do plan to add new things such as the LAMPS--squadrons that I mentioned and the other air squadrons that are planned. The material issue has come up before. In fiscal year 1981 we had $68.1 million devoted to reserve material. In fiscal year 1983 we are proposing $80.2 million. That is a tremendous growth. On top of that, you have to evaluate and include the amount of money that is going into creating a Reserve squadron for the first F-18 unit to be integrated with the Active Forces. You also have to assign a value to a 1952 frigate that is going into the Reserves. That amount is not included in the $80 million. So substantial material is going in now and will continue to go in for the future.

We intend to fully integrate the Reserves with the Active Forces and give them a meaningful place where they belong.

Senator Jepsen. General Crist, do you have any comments you wish to make?

General Crist. Yes, sir. As you know, we have seen our second straight year of coming in over plan in manpower. So I am very happy with our manpower situation. We plan right now to meet our wartime requirement with about 43,000 in 1986 and I think that is achievable.

Senator Jepsen. What was the number again?

General Crist. Forty-three thousand, and we plan to meet that in 1986 and I think that is achievable.

The problem that we see now is that as our manpower increases, grade and skill shortages are emerging as probably the greatest factors in personnel readiness degradation. The primary cause for this is a 10-percent decline in our prior service population over the last 4 years, which indeed represents the skills that we are short. However, last year you gave us the money to get prior service recruiters in order to go out and get these skills and bring them back in. We intend to do so.

The only other area that we see some weakness in is the IRR. We have seen a 13-percent decline in the IRR over the last 3 years. While we still have sufficient IRR to cover our wartime requirements, it is beginning to be of some concern. We no longer, of course, have the IRR bonus which was very helpful last year when we did have it.

BONUSES

I think now we look toward the committee to continue the bonuses at the dollar levels and of the kind that we need because these are the incentives which enable me to go out and get the short skills. We are targeting for the skills and the type of young men we need.

Senator **Jepsen**. Does the Marine Corps Reserves have any equipment shortage problems?

General **Crist**. Yes, sir. We do have a shortage of equipment. We are approximately $546 million short in equipment, $138 million short in secondary items and about $42 million short in the Navy funded stocks of medical, dental and aviation spares.

The plan, presuming funding through 1987, would be to reduce the equipment shortages to about $135 million by the end of fiscal year 1987. Secondary shortages are down to about $96 million and realize some small reductions in the Navy funded stocks. So the Marine Corps is planning to reduce the shortfalls but, we will still have deficiencies.

Senator **Jepsen**. At the risk of sounding facetious, when I asked about shortages, you said yes, we are $500 million short and we can get that down to $100 million. Now that is a lot of money. Is that a serious shortage? Are these serious shortages that you have?

General **Crist**. Yes, sir, indeed they are.

Senator **Jepsen**. Again, I am trying to get a handle on that to get some perspective. Is $500 million five times as serious as $100 billion? What are you short?

SERIOUS EQUIPMENT SHORTAGES

General **Crist**. All right, sir. For instance, radio communication electronic equipment, we are $92 million short there. Engineer items, which cover everything from materials handling equipment to support items for aircraft, we are $106 million short there. Motor transport, 127 million.

Senator **Jepsen**. Excuse me for interrupting. Let's put a frame around it this way. If we are mobilized tomorrow with the equipment shortages you have today what would be the effect? You are supposed to be able to move, communicate and shoot just as fast or faster than anybody else.

General CRIST. That is right, sir. What would essentially happen, Mr. Chairman, is the first units coming on to augment the active forces will be equipped. The shortfalls will be in the units which are coming behind that initial M to M plus 10 argumentation. They will be short equipment. There is not sufficient equipment. That is a function, of course, of the total Marine Corps equipment posture which as you know, has been down for about 10 years. We would not be able to equip all of our units. Approximately one-third of our units would not be fully equipped.

Senator JEPSEN. Do you have any questions?

STUDENT LOAN PROGRAMS

Senator COHEN. Just one thing with respect to the Reserves and, I suppose, the services themselves. What has been the impact of the forgiveness of student loan programs? That has not been mentioned as one of the incentives that Congress has taken to enhance retention.

Mr. HERRINGTON. I do not have the answer to that, Senator Cohen. I would like to submit that for the record if we could.

Senator COHEN. OK, that is fine.

[The information follows:]

LOAN FORGIVENESS

While the loan forgiveness program may have considerable merit, the Navy presently does not find it necessary to institute this particular program in order to meet quantitative recruiting goals in the Selected Reserve. However, this authority should remain in the event that a need is identified.

Senaor JEPSEN. General, do you have any further remarks?

General CRIST. Not unless the Chair has a question.

Senator JEPSEN. Admiral?

Admiral PALMER. No, sir.

Senator JEPSEN. Well, thank you, gentlemen, for appearing here today.

I would like to go directly into some hard questions, getting right at the root of some of our very serious problems.

PAY RAISE FOR MILITARY PERSONNEL

Secretary Herrington, the fiscal year 1983 budget request assumes an 8-percent pay raise for military personnel. However, some of my colleagues have proposed military pay not be increased at all or at most no more than 5 percent, the raise that at the present time is due to be given to civil service.

How would the Navy and the Marine Corps be affected if pay were not increased at all or only by 5 percent?

Mr. HERRINGTON. The principal effect of not putting through the 8-percent pay raise would be to seriously damage the momentum that we have gained in attitude and morale and especially that morale that Senator Cohen just talked about out there on those ships. That morale was not there several years ago and it has happened now because of what has taken place in quality of life and in pay.

As far as comparing the military pay raise to the civilian pay raise, I would take exception with that. Your civilians are not asked to work 14 hours a day on a carrier deck for 53 straight days at sea. They are not subject to combat. They are not undergoing the heavy operating tempo that our military in the Navy and Marines are undergoing today.

To suggest that because you are going to give the civilians 5 percent, that we ought to also give the military 5 percent, is a mistake.

I want to stress very strongly here today, and I am sure I am supported by General Bronars and Admiral Zech, that if any inroads are going to be made into that 8-percent raise, I think we should look long and hard toward hardware and material cuts before we touch the personnel. Morale, spirit, and momentum, we cannot lose them at this point if we intend to grow.

Senator COHEN. Can I just interrupt for a moment there?

Senator JEPSEN. Certainly.

Senator COHEN. Mr. Chairman, during my trip I met with Prime Minister Begin as well as President Mubarak and others. During the conversation with Mr. Begin, we got into talking about what is the ratio between morale and equipment. I think you will find, at least according to Mr. Begin, that they know something about morale in the Israeli Army. It is about 3-to-1 in terms of morale. That will be eroded over a period of time, depending upon the quality and the sophistication of the weapons themselves, but if you take a unit that is highly motivated and the morale is high and the energy is high and the enthusiasm is there, that will even offset on at least a 2-to-1 ratio and, chances are a 3-to-1 basis or ratio.

Senator JEPSEN. I think the Ethiopians in a confrontation with the Italians in 1936 would indicate even a little higher ratio than that. They had the sticks and the stones and the Italians had the tanks and they were whipping them.

Secretary Herrington, as I indicated earlier, we are developing some changes in the Uniform Code of Military Justice. This is not a question. I would ask that you submit for the record any suggested legislative changes that you would recommend for this. I am particularly interested in any comments on the appellate review process, sentencing by a military judge alone, increasing the authorized punishment at special court-marital, and revisions of the articles on drugs.

Mr. HERRINGTON. It would be my pleasure and I appreciate your work in this area. It is long overdue.

[Suggested legislative changes follow:]

The Department has under consideration a number of initiatives designed to enhance military justice within the Armed Forces. The proposed amendments, still in staffing, comprise the Department's legislative proposal entitled the "Military Justice Amendments of 1982." They provide for, among other things, revised appellate procedures which would eliminate automatic appeals of all cases that included a discharge, dismissal or confinement of one year or more, regardless of whether the accused wishes to appeal the case. Further, they would eliminate the detailed, and time consuming, written post-trial review of the record of trial currently prepared by the Staff Judge Advocate. The amendments would also provide authority for the Court of Military Review, sitting *en banc*, to reconsider a panel decision and would provide statutory authority for the government to appeal a Court of Military Appeals decision to the Supreme Court.

This proposal hopefully will be cleared for submission to the Congress in the near future. Notwithstanding this fact, I would like to take this opportunity to pass along some personal observations I have relative to this area. In my travels to the field, I've encountered a number of commanding officers who have stated to me that they believe our system of military justice could be more responsive to their needs in dealing with the drug problem. I am certain they would welcome a separate punitive article in the Uniform Code of Military Justice (UCMJ) that dealt exclusively with drug abuse. In particular, it should provide for minimum sentences, especially for the offenses of transfer, sale, and possession with the intent to transfer and sell, and should generally deal harshly with any individuals proven to be involved in drug trafficking. I am well aware of the arguments that can be raised in opposition to minimum sentencing. However, the fact is it works when pitted against problems, such as drug trafficking, that do not respond readily to conventional solutions. The inability of courts, remote from the problem, to adequately reflect in their sentences the gravity of these offenses in military service, requires that measures such as this be considered. Such an action should be accompanied by an increase in the authorized punishment that can be adjudged by a Special Court-Martial in order to deal with those cases appropriately addressed at that level.

In regard to less serious drug offenses, I would note that field commanders have expressed frustration at being unable to award confinement at UCMJ, Art. 15 hearings. Providing this authority while maintaining currently authorized punishment levels, would allow them to more effectively deal with minor drug problems, that warrant confinement, by utilizing the more efficient means of a nonjudicial punishment hearing as opposed to the somewhat cumbersome, and more stigmatizing, method or a court-martial. Further, the right of an accused to refuse nonjudicial punishment, when not assigned to a vessel, also restricts our ability to deal with our lesser drug infractions in a timely and suitable manner. This restriction in the UCMJ should either be deleted or be amended so as to provide the individual commanding officer concerned with the option of referring such a case to the next senior in command, for nonjudicial punishment, as opposed to convening a court-martial to hear the case.

As a matter of general information, I would note that we are currently giving thought to a proposal that would require an individual joining the Service to agree, as part of his initial contract, to provide body fluids, upon demand, during the term of his/her service. I do not believe that joining the Armed Forces is a right to be granted without terms or conditions considered reasonable by the government. Such a requirement, I submit, when not exercised arbitrarily or in disregard of procedural due process, would be reasonable and would reflect our interest in, and need for, good order and discipline. Our inability to discipline or adversely characterize the discharge of an individual based on the results of a urinalysis conducted incident to a "fitness for duty exam" hampers our ability to deal with the drug problem and thus has a negative impact on readiness. As a result, we are earnestly searching for possible solutions, and are considering proposals such as I have just outlined, in an effort to deal meaningfully with this subject.

OBTAINING HIGH SCHOOL LISTS

Senator JEPSEN. Admiral Zech and General Bronars, to what extent are recruiters still unable to obtain high school directory information from schools?

Admiral ZECH. Our Navy recruiters are still having a very difficult time obtaining high school lists.

Senator JEPSEN. What are the major reasons for that? I think we can keep this in a general vein. What do you find are the major reasons given that high schools are refusing to provide directory information?

Admiral ZECH. The major reasons, Mr. Chairman, are because the States, and in some cases the cities, each have their interpretation of their own law and their own regulations and policies as far as giving out lists is concerned. There are many States that do not give out lists at all.

This is the same problem we have in trying to get juvenile records. Many, many States do not permit the recruiters to get that information. It is a very serious problem and has been a serious problem for many years. We are not permitted to get lists from high schools and we are not permitted to get juvenile records. Some States have laws that require a fee. It is a very serious problem and it makes it difficult to recruit. We cannot get the high schools lists that we need nor can we get the juvenile records that we need.

Senator JEPSEN. Do they ever say that the recruiters harass the kids or anything, or is it just some of the administrators in the school systems want their youngsters to go to college?

Admiral ZECH. I think it is a carryover, Mr. Chairman, from the Vietnam war.

Senator JEPSEN. General Bronars, do you have any comment on that?

General BRONARS. I would add only one comment. On the criminal and juvenile record problem, I understand that Senator Tower intends to introduce a bill that would encourage the States to provide that type of information to recruiting services.

I believe one of the problems that school jurisdictions are facing is their belief that this is in violation of the Privacy Act. All of these areas should be clarified, and if they can be clarified by legislation, I think it would be very helpful.

Senator JEPSEN. You mentioned Senator Tower's bill. It is Senate bill 1367 and it authorizes the Secretary of Defense to collect high school directory information for confidential use by military recruiters. If either of you have any comment on this, and I would appreciate it, of how it would assist recruiters in obtaining this information or any comment on the bill at all, please submit it.

General BRONARS. We will submit that for the record. I would strongly urge that this be supported.

Senator JEPSEN. That is Senate bill 1367.

[The information follows:]

S. 1367

General BRONARS. Senate Bill S. 1367 is important and if enacted will account for a considerable savings in money. As you know it has two major provisions. The first is authorization for the Secretary of Defense to compile directory information on secondary school students age 17 or older. This information would enhance efficiency and effectiveness in recruiting in two ways. First, we could have greater certainty than we have at present that our direct mail advertisements were being received by bona fide seniors and graduates. Second, because the directory would include home telephone numbers as well as addresses, recruiters would save hours presently spent searching telephone books to match addresses on purchased mailing lists with addresses and telephone numbers in the books.

The second major provision, and of more concern to us, is the request to local jurisdictions to provide appropriate recruiting organizations information concerning the juvenile or criminal record of individual applicants. At present such information is releasable only to the Defense Investigative Service. DIS is not able to request the information until after the applicant has completed the entire enlistment process at the Military Enlistment Processing Station. The problem here is twofold, and is expensive in both instances. First, the recruiter has already spent considerable valuable man hours on the individual applicant's case. If complete information on such matters were available earlier in the enlistment application sequence, a great savings could be realized. Second, those enlistees who do not enlist into the delayed entry program depart for the recruit depot immediately after completing the enlistment process at the MEPS. In this case, undisclosed involvement does not surface until after arrival at the recruit depot, and many times not until well into the training program. This constitutes fraudulent enlistment. In fiscal year 1981 we had over 1000 such cases. The additional administrative, travel, and training costs are readily apparent.

As a final comment on S. 1367, we are very mindful of the trust implied in the bill, and intend to zealously conform to the high standards of confidentiality required.

Senator JEPSEN. Senator Cohen?

Senator COHEN. I have a number of questions, Mr. Chairman, and I will try and make them as brief as possible.

STUDENT LOAN PROGRAM

I was a little bit surprised that you were surprised about the forgiveness of the student loan program. I think that is probably an indication that no one is paying much attention to it. Yet, there has been a debate started within this committee in the last 2 years.

Professor Moscows—I don't know if you are familiar with his work—said that perhaps we ought to start gearing our student loan programs toward giving incentive for people to go in the military, that if you are going to get a benefit from the Federal Government, you ought to give something back.

This is not exactly that, but it is at least moving in that direction. I would hope you would take a look at that as to what kind of a contributing factor that might be in enhancing recruitment or reenlistment or what kind of an incentive it would be for going into the Reserves.

Mr. HERRINGTON. I applaud that kind of program. The reason I failed to answer your question is because I don't want to guess at the specifics of the student forgiveness program. I would like to have the exact figures for you.

[The information follows:]

LOAN FORGIVENESS

While the loan forgiveness program may have considerable merit, the Navy presently does not find it necessary to institute this particular program in order to meet quantitative recruiting goals in the Selected Reserve. However, this authority should remain in the event that a need is identified.

RECRUITS, A CUT ABOVE AVERAGE

Senator COHEN. I would like to come back to some specifics about that Pentagon study which indicated that, servicewide, the recruits were a cut above average, whether white, black, or Hispanic.

What were the results for the Navy recruits and Marine recruits? Do you have that? Is that broken down for you?

Mr. HERRINGTON. The thing I know about it are the facts that you have mentioned. I have not personally read the report at this point. I did read the remarks of Mr. Korb, and I have been following it closely, but as far as seeing the breakdown from the Navy, I would have to defer to Admiral Zech.

Admiral ZECH. Yes; I have some statistics on that, Senator, that I could give you right now if you would like. The percent of the national population for males, for example, for white males in mental group I is 5 percent, mental group II is 39 percent, mental group III is 34 percent, mental group IV is 19 percent, and mental group V is 3 percent. This is the national average.

For the Navy white male accessions that we recruited in fiscal year 1981, the corresponding figures and mental group I, 4 percent, mental group II is 38 percent, mental group III is 48 percent, mental group IV is 10 percent, and mental group V to zero.

I would say in summary that mental group I and II in the Navy are very close to the national average. We are bringing in just about the national average. In mental group III we are bringing in a little higher, but in the lower two mental groups were are bringing in fewer due to our stringent quality criteria.

We believe we are bringing in a slightly higher than average young person into our Navy.

Senator COHEN. General Bronars, perhaps you could find that out for me and the breakdown.

General BRONARS. Yes, sir.

[The information follows:]

MENTAL CATEGORIES BY RACE

The mental group breakdown for regular non-prior service male and female accessions by race is as follows:

[By fiscal years, in percent]

Race	MG I–II			MG III			MG IV		
	1980	1981	1982 [1]	1980	1981	1982 [1]	1980	1981	1982 [1]
White	32.8	37.6	42.6	49.1	52.8	51.9	18.2	9.4	5.5
Black	6.9	12.0	16.4	40.1	58.3	65.1	53.0	29.7	18.5
Other	13.5	19.2	27.8	49.4	59.5	57.4	37.1	21.3	14.8
Total	25.8	32.5	37.8	47.0	54.0	54.2	27.1	13.4	8.0

[1] Through January 1982.

Admiral ZECH. Excuse me, Senator, if I may, also comment on our blacks' accessions.

Senator COHEN. All right.

Admiral ZECH. We have the same summary for blacks. I won't read all the numbers, but I would state that we are bringing into the Navy blacks who score higher than the nationwide black average.

Senator COHEN. Thank you very much, Admiral.

AWOL AND DESERTION

What about the AWOL and the desertion statistics for the Navy and Marine Corps? My understanding is they were down significantly last year.

Admiral ZECH. In the Navy they are down significantly in the past year. They are one of the positive indicators. Recruiting is up, retention is up, AWOL is down, desertion is down and more people are asking to withdraw their resignation requests. Also, many enlisted people who have submitted their requests for retirement are withdrawing their retirement requests. All of the indicators are in a positive direction. This is why we can be confident about manning our growing Navy.

Senator COHEN. So, other factors of undiscipline are down as well, even as compared to a time when you had the draft in existence?

Admiral ZECH. Yes, that is exactly right. Desertion is down significantly and AWOL is also down significantly. All of these figures contribute to our confidence to man the growing Navy. The indicators are all positive.

QUALITY OF LIFE

Senator COHEN. What other sort of compensatory or quality of life efforts do you think are necessary to get this trend going in the same direction and to keep it going?

Admiral ZECH. Maintaining adequate quality of life is very necessary. Our families are important to us. We have a number of programs to support families within the Navy. The family service center program is one of the newest and probably the most vigorously pursued. We have family service centers located at many Navy installations, particularly where we have large fleet concentrations.

We are concentrating not only on Family Service Centers but also on other aspects of taking care of our people. Our people are the strength of our Navy. Quality of life is an important program. Morale, welfare and recreation programs are important to us, as are all programs whereby our Navy people are recognized for their true value. Quality of life programs are absolutely mandatory and serve as an extension of the compensation programs.

We have talked, Senator, about the compensation programs and they are vital to us and we need them. But quality of life programs and our own Navy responsibility for pride and professionalism are an extension of them and these are things that are being pursued very, very vigorously. They are absolutely necessary to continue the morale and the high state of readiness of our Navy.

Senator COHEN. Admiral, in line with your answer, I would like to read a letter I received from the wife of a first-class nuclear machinist mate aboard the U.S.S. *George Bancroft*. It is now having overhaul work done up at the Portsmouth-Kittery Naval Shipyard.

I think her letter raises a number of issues which you have touched upon about why people choose not to reenlist. I am going to insert it with the identification blanked out in the record, but I am going to read just a portion of the letter. I think it will show why people get out of the military, or the Navy, because they feel the sacrifice is no longer worth the effort.

Let me just read a couple of paragraphs without belaboring the point.

She said:

> My husband has averaged an incredible 76 hours per week since we have been here with some weeks consisting of 103 hours. The "Nukes" as they are referred to, are on a three-section duty schedule, which means that every three days they must spend 24 hours on the submarine. However, because of extra training which the Nukes are required to document, most of these 24-hour duty days stretch into 26 to 28-hour days. Sometimes, my husband does not return home until noon of the following day. In addition, on many of these duty days, my husband gets only two to three hours of sleep, although he is guaranteed a generous four hours.
>
> Considering the potentitally disastrous nature of his work, these practices do not seem to ensure a safe working environment. Needless to say, when my husband returns home from work, he is physically and emotionally drained and has little energy to devote to his family. I, too, must make a huge effort to try not to burden my husband even further with my own frustration from our situation.

Now I will skip to five pages later. It is a very nice letter, frankly, and it is very moving. I think it expresses the frustration and just the exhaustion that most wives and families feel about their husbands serving in the military.

She says on the final page:

> I am not naive enough to expect banker's hours with every weekend off. When my husband enlisted, he knew he would be spending 3 months out of 6 months at sea and we expect this aspect of the job. However, I think that a full day off every 6 or 7 worked is a realistic request.
>
> Perhaps the only way to accomplish this is to extend the time in which the subs are overhauled in order to allow the men time to rest and enjoy their families. In addition, policies must be instituted which will guarantee the men meal breaks, adequate time for sleep when applicable and compensation for working all legal holidays.
>
> Unless these changes are made, the Navy will continue to lose its experienced personnel at an alarming rate.

I will insert that in the record because I think this woman expresses in very eloquent language the kind of frustrations that she had.

[The letter follows:]

DECEMBER 2, 1981.

Senator WILLIAM COHEN,
State Capitol
Augusta, Maine

DEAR SENATOR COHEN: I recently read of your work with the Armed Services Committee and was prompted to write this letter.

I'm sure you are only too aware of the problem the Navy is having retaining its experienced personnel, especially those trained in nuclear power. One of the reasons for this problem is the disparity between military and civilian pay, upon which greatly needed and appreciated measures have been taken. The other equally compelling reason is the oppressive and sometimes even inhuman conditions under which the men must work, for which no amount of pay increases can ever compensate!

My husband [deleted] is a first class nuclear machinist mate aboard the U.S.S *George Bancroft*. We have been stationed at the Portsmouth Naval Shipyard since June 1980, and our stay here has been a trial to say the least.

My husband has averaged an incredible 76 hours per week since we've been here, with some weeks consisting of 103 hours! The "Nukes" as they are referred to are on a three section duty schedule, which means that every three days they must spend 24 hours on the submarine. However, because of extra training which the nukes are required to document, most of these "24 hour" duty days stretch into 26–28 hour days. Sometimes my husband does not return home 'til noon of the following day! In addition, on many of these duty days, my husband gets only 2–3 hours of sleep, although he is *guaranteed* a generous four hours. Considering the potentially disastrous nature of his work, these practices do not seem to insure a safe working environment. Needless to say, when my husband returns home from work, he is physically and emotionally drained, and has little energy to devote to his family. I, too, must make a huge effort to not burden my husband even further with my own frustration from our situation.

When special "evolutions" are required, the men go into a 3-shift schedule. Each shift is at least 9 hours long with many lasting up to 11½ hours. Two days ago, he worked for more than 12 hours. If possible, the duty schedule is reinstated on the weekend, so that some of the men get the weekend off. Sometimes, however, they work steadily with no days off until the evolution is completed! My husband has worked for nearly 21 days with no time off except for the rotation of shifts. Even as I write this letter, he is working his fourteenth day in a row and may have to continue for 2 more weeks. During this current evolution, each section must work one double shift in order to rotate the shifts! Also during this evolution, the men had to work on Veteran's Day and will have to work on Thanksgiving. The non-nuclear personnel on the submarine and the shipyard employees enjoy holiday routine on these days. The Nukes, however, will not receive compensation of any kind for working these legal holidays. The men in my husband's section submitted formal requests asking for a comp day for having worked Veteran's day. The requests were disapproved by [deleted] who apologized to the men, but told them not to submit any more similar requests as he did not have time to process them.

On many occasions during shift work, the men do not even get a break to eat! I do not have to impress upon you how these conditions affect one's morale, physical endurance, and productivity.

As well as being arduous, these schedules are also extremely erratic. The men may be in 3 section duty for a few days or weeks, then change to hiftwork, and back to duty. There have been times when my husband and I literally had no idea what his schedule would be for the following day. Here are a couple of examples. On Sunday, Nov. 8, my husband and I were returning home from church when I stopped at my neighbor's. While there, I learned that my husband might have to work that day. (It was his first weekend off in 3 weeks.) My husband called the boat and was told to report to work at 2:30 p.m. It was 1:00 p.m. at the time.

This morning my husband returned home at 10:00 a.m. after working the midnight shift. He slept until 8:00 p.m. this evening, expecting to go work at 10:30 tonight. However, he received a call at 9:00 p.m. telling him not to come to work until the following day at 7:00 a.m. Not only did he lose a partial day off, but he also will not be tired enough to rest properly tonight!

In addition to the long, erratic hours, the men are also subjected to an inordinate amount of stress due to both the unrealistic deadlines set by the shipyard and the Navy.

Since we have been at PNSY, one machinist mate [deleted] was transferred due to an ulcer. Several individuals have requested transfers to other boats and/or duty stations. Not one first class nuclear technician on our boat has opted to re-enlist since we've been at PNSY. It is not hard to see why.

Another source of stress is the almost total absence of job satisfaction. Only rarely does my husband receive praise and encouragement from his officers. In such a highly demanding and precise occupation, positive feedback should be the rule rather than the exception. However, the emphasis seems to be concentrated upon the men's mistakes and infractions and this greatly erodes the men's morale and desire to excel. It is no wonder that when my husband comes home from work, he feels like an abused automatron rather than the highly skilled professional that he is.

I feel that this negative discouraging atmosphere is largely the fault of [deleted] who's first priority seems to be meeting the shipyard's schedule, and he has pushed the Nukes and their families to the limit in order to maintain this crushing face.

I, along with some of my fellow wives, have made attempts to improve our husbands' and thus our own situation, but with little success.

We requested a meeting last January with [deleted] but were refused, and were told that if the men had complaints, they should bring it to the command's attention themselves. (Incidentally, the men have done this repeatedly, albeit informally, with no results). Recently, at a wive's dinner, [deleted] and the executive officer, [deleted] were available for questions. I asked if he [deleted] did not feel that almost 21 straight days of work was a safety hazard to the men. He replied that no, he did not feel it was unsafe, and that if the men felt it was unsafe, they should inform him and he would ease the schedule. I was incredulous at his answer and offended. The men are reluctant to do this as they feel their efforts are futile. I then asked if it would not be possible to have one day off for every six worked and I received a nebulous reply. When we queried what could be ultimately done about our situation, since the command seemed helpless, we were told to contact the CNO, Admiral Hayward, and our Congressmen "although it probably wouldn't do any good". We left the meeting feeling defeated and resentful.

One fellow wife, [deleted] has written to Admiral Hayward and received a very patronizing letter sympathizing with our situation and praising ourselves and our husbands for our hard work and endurance. [Deleted] also wrote her Congressman, Sen. William Armstrong, R-Colo., who in turn wrote to the Navy Military Personnel Command and received almost an exact replica of the letter sent to [deleted] by Adm. Hayward.

As you know, our husbands are not allowed to strike, draw up petitions, etc., and so our only recourse is to seek new legislation.

One last problem I would like to bring to your attention is the grossly inadequate system which the Navy has for dealing with family moves and travel compensation. Perhaps the problem is that there is no "system", only a looming mass of rules and regulations which somehow seem to always fall short.

As you know, moving an entire household often hundreds of miles is taxing at best. Moving under the sponsorship of the Navy is a nightmare. Many times the families are not sure of their moving dates until shortly before the actual move. This makes preparing to change schools, leave jobs, and give adequate notice to landlords or military housing nearly impossible. As a result, the families often end up moving quite far in advance or quite long after, the actual departure times, which means that the men and their families are separated for much longer periods of time than necessary. As it is, they spend three out of every six months at sea, and I think an extra one or two months on top of that is a lot to ask.

I realize that the shipyard schedules for overhaul cannot be made hard and fast, but I feel that more consideration must be given to the men and their families to make the moves less of an ordeal both physically and emotionally. In addition to the standard uncertainties, [deleted] has exascerbated the problem by refusing to give us a more realistic departure date for the submarine. Although the sub is scheduled to leave for Charleston in January, because of several setbacks to the overhaul, we all know that in all probability, it will not be ready by that date. However, [deleted] still stands by that date, which causes a great deal of consternation for the families.

Another source of irritation is the inadequate amount of travel time allotted for the moves. For our upcoming move to Charleston, we will be allowed five days and possibly nine if the schedule works out to our advantage. This means that we are to drive to Charleston, find a place to live and move in in 5–9 days. This may or may not be enough time for my husband and myself as we are already familiar with the Charleston area.

However, those new to the boat will be hard pressed to find suitable living quarters in five days. Because of this, many families will be forced to use their valuable leave time to look for housing.

Thirdly, is the matter of travel pay. Because the amount of money earmarked to cover travel expenses is so inadequate, many families must either deplete their savings, secure a loan, or receive advance pay in order to make up for the deficit between the actual cost of plane fares, gasoline, meals, lodging, etc. and the meager sums allotted them. This is deplorable, especially in light of the fact that many Navy families change duty stations every year or two.

Let me give you an example of my husband's and my own situation. In January 1982, the *George Bancroft* is scheduled to sail to Charleston. My husband's crew will be required to take the boat down. Because he would be getting a "free" ride to Charleston, he would not be eligible for travel pay, although he must fly back to Portsmouth to get myself and our two children. That would mean that my husband and I would have to pay his plane fare back to Portsmouth and then for gasoline, tolls, food, and lodging on the way to Charleston. The Navy was going to allow us $77.00 for expenses plus a dislocation allowance some weeks after we have already arrived in Charleston! Fortunately, because of complaints from the wives and the men this problem has been rectified and I am happy to report that we will be reimbursed for all travel expenses. But this is a rare chapter in the annals of Navy moving stories. The families should not have to fight for equitable travel pay every time they move. They should automatically receive an amount commesurate with the length of the trip and the expenses incurred. I do not expect to get a paid vacation to Palm Beach, but I do expect more than $77.00 to move a family of four 1,000 miles!

In closing, Senator Cohen, I hope I have articulated to you the very serious problems facing the Navy personnel and their families, especially those in nuclear power. In view of what I have related, it is not difficult to understand why the nuclear technicians are being lured to civilian jobs which offer lucrative salaries, 40 hour work weeks, weekends and holidays off, overtime pay, equal or better benefits, including dental insurance, and the chance to settle into a community and remain for more than two years. One would have to be crazy to endure what I have described when there are so many attractive opportunities elsewhere. My husband's enlistment expires in November 1983, and I can tell you quite frankly that we can hardly wait to be free of the Navy.

I am not naive enough to expect bankers hours with every weekend off. When my husband enlisted, he knew he would spend three months out of six at sea, and we accept this aspect of his job. However, I do think that a full day off for every six or seven worked is a realistic request. Perhaps the only way to accomplish this is to extend the time in which the subs are overhauled, in order to allow the men time to rest and enjoy their families. In addition, policies must be insti-

tuted which will guarantee the men meal breaks, adequate time for sleep when applicable, and compensation for working all legal holidays. Unless these changes are made, the Navy will continue to lose its experienced personnel at an alarming rate.

I hope you will give my letter serious consideration. I have spent many hours writing and re-writing it. I have tried to give you an accurate account of our situation without making it sound too grim.

One of your fellow Senators, William Armstrong, R-Colo., has expressed a great deal of concern for our problems. I'm sure he would welcome any information or assistance which you might offer. I have enclosed a copy of a letter from Sen. Armstrong to [deleted].

Also, if you or someone from your office would be interested in talking to the men or their families, I'm sure you would be more than welcome.

Thank you so much for your time.

Sincerely,

[Deleted.]

Admiral ZECH. It sounds like a very well written letter and all I would say, Senator, is that is exactly the reason we simply must improve our petty officers shortage because obviously her husband is taking the strain that we are trying to ease on our people. It is just vital that we give some of those people the relief that they deserve.

Senator COHEN. You see, my whole effort practically on this particular subcommittee has been to try and to penetrate through the slogans we have and the quick-fix solutions.

Once again, the cry is, let's go back to a draft that will be less expensive. Well, some estimates show it will cost you $2 billion more with a draft than without it. So we can't afford the volunteer Army. Well, the draft will cost you more money.

Then the question becomes, assuming you draft a small percentage of your eligible pool, assuming you are prepared to pay whatever social consequences would flow from that small percentage being drafted, what are you going to do to keep them in? How are you going to respond to this woman's letter?

Now, the assumption is that if you have a draft, that you will have many more people in and that will force more people in the Navy and that will make more people go into the Marines. That may be true. That may be true in the first couple of years, but what are we going to do to keep the people in?

This is a fellow who is a nuclear machinist. Well, if you are just talking about keeping people in a couple of years and they leave, you are not more ready; you are less ready. We read a headline or we read a story that says that all of our military personnel are on drugs, that they are incompetent, that they can't read, that they are at a grade six level of reading and you have to reduce everything to cartoons.

I think we do a great disservice to our military. When you start looking at the AWOL's and you start looking at desertions and you start looking at the indiscipline problems that we have had when we did have a draft of people, we discover we are better today. You have to really try and analyze whether you are better off with a draft or without it.

I think that since this committee, with certainly your leadership, has started to look at the underlying problems of dealing with the reality of how do we keep good people in 13 and 14 and 15 and hopefully 20 years. We can't just do it by raising the flag of patriotism. We can't do it when they are getting 2 to 3 hours of sleep a night. We can't continue to have wives who want to encourage their husbands to make that kind of sacrifice when they are unhappy.

DRAFT WILL NOT SOLVE PROBLEMS

We are not going to solve those problems just by saying that we are going to go back to the draft and that we are going to get patriotic again.

If we have to get that tremendous infusion of people, if we need that kind of a base, then we will do that, and I will vote for it. But we have to raise other issues, too.

SERIOUS PROBLEM WITH ALLIES

I came back from a trip to a conference over in Munich, and I can report we have serious problems with our allies. You know, to what extent are the American people going to be willing to defend not only Central Europe but the Persian Gulf at the same time without any assistance or very little assistance from our NATO allies?

The question is going to be asked, why are we going to build two more aircraft carriers to project power into different parts of the globe, such as the Persian Gulf, or maybe even down in Central America? Why are we doing this all on our own? After all, don't the Europeans have an interest in Persian Gulf oil? The answer is yes. They have more of an interest than we do. They have a much heavier dependence upon oil than we in the United States. You say, well, shouldn't they share in that responsibility of defending it? Their answer is no. NATO is not going beyond its geographical boundaries, and there aren't too many individual members of NATO volunteering.

Well, I maintain either they are going to help or we are going to have to redeploy some of our forces elsewhere or they can give us a check. They can hand us a check and say, here is some assistance in building those aircraft carriers. We know you have got some problems over in the United States, a $90 billion deficit or maybe a $130 billion deficit, and we know that you are helping to defend our interests.

What the American people don't know, and you know we don't talk about it a whole lot, is that the Middle East is very fragile now. If there is a shutoff of oil in the Middle East, we have an oil sharing agreement. We are going to share the shortage. How about the American people responding to that.

No. 1, we pay the full bill of defending the Persian Gulf and all the ships and the maintenance and the pay for our people. Then, if there is a shortage, we have got to split that shortage and share it with our European allies. I don't think they are going to support that.

So it is not just that we have manpower problems. I know Senator Jepsen has worked very diligently and has, I think, done a magnificent job in promoting the kind of pay raises and incentives that are necessary. But I think too often we get caught up with easy solutions to very deep-seated problems.

Whatever your feelings are about a draft—and I think the Joint Chiefs have come out in favor of it and a lot of people in the military have, and it may be necessary—but my concern is that it may well undermine the very things that we are doing to keep the qualified people in. That to me produces a much worse situation and a much less ready military than we have today.

That is all I have, Mr. Chairman.

Senator JEPSEN. Thank you, Senator.

I will ask that the few questions that we have left, and there are a number of them covering the shortages of critical skill personnel, a few left on manning a larger Navy and then we wanted to explore a little bit the dependents overseas with the Marine Corps and that about covers the material that we have.

I would like to discuss two areas very briefly here and then we will adjourn this hearing this morning after you have submitted any comments that you have in closing.

One is that I concur with Senator Cohen and feel very similar. It grieves me to see and read the continual degradation by some who make their living writing things for the public in this country.

Without getting into names and it is not either appropriate nor does it do any good to do that here. There are some who obviously do not ever let the truth get in the way of making money. The service men and women of this country when things get a little slow are always good to take a rap at and to talk about how bad things are and it is not accurate.

So I would like to ask a question of Admiral Zech. GAO recently advised us that the Navy paid a $37,000 aviation bonus to an officer with 15 years commission, an officer of the service. Now I know that the law permits that to be done. I am wondering if these are the type of things that they pick out, one straw or one little thread that has a little bit of validity to it, but then that gives food for these folks and by the time they blow it up it sounds like that is what everybody is doing.

I am just wondering is this a cost-effective management? Should the law be changed if we continue the bonuses then next year?

Admiral ZECH. Mr. Chairman, as you have alluded to, this is strictly an isolated case and it is technically and legally permissible, but it was a flaw that we frankly didn't foresee and it should be corrected. Frankly, it was the way the implementing directive for computing service time was written and it permitted a few individuals to take advantage of the system. But it is isolated. It is an aberration and it is not at all what we had in mind. I believe you are exactly right to say that those are the ones who get publicity.

It is unfortunate because the aviation officer bonus has been a vitally important program to us. It has been extremely cost effective. Our figures show that for a relatively small amount of money we have saved an enormous amount of money in training cost.

AVIATION BONUS PROGRAM

It is unfortunate that these aberrations get the publicity they do, but I can assure you that the aviation officer bonus is a vital program to us.

Senator COHEN. What does it cost to train an F-14 pilot?

Mr. HERRINGTON. We gave a figure earlier, of $750,000 to train an aviator of an F-18. At the beginning of the ADCP program a couple of years ago, there was no question that everybody accepted the figure of $550,000. The cost, depending on how you calculate it, is somewhere in that area, but no matter how you figure it, it is a lot of money, and you can be more effective saving the man with ADCP than training a new one.

Senator COHEN. As I recall, back in 1979, I think, we were losing about 3,000 pilots a year. I don't know how that broke down in terms of F-14, 15 or 16, but that is a lot of money to be losing that kind of an investment.

Obviously there isn't any way that we can match commercial airlines. I guess it goes in cycles. I have looked at some of the historical patterns, and there is a cyclical nature to it. When the airlines are hiring, then we have an exodus out of the Air Force, because they can make big money having been properly trained by our military. There is no way we can possibly compete with that. So when there is an economic downturn, I suppose we are going to have the retention rate of pilots remain higher.

I don't think we can hope to compete with the commercial airlines, but I think there are other things we can do and we are doing that will help to offset that incentive or that lure of going out and going for American Air Lines or TWA, as opposed to staying in the military.

Admiral ZECH. Senator, that is one of the basic reasons that we requested the aviation bonus program. In looking to the future the hiring projections for the airlines showed us that, beginning in 1983, they would be hiring more pilots than would reach their expiration of service in the Navy, Marines, and Air Force. In other words, if they hired every single one of our pilots who became eligible to leave the Service they would have to hire more. This is apparently because many of their pilots are reaching retirement age.

That is one of the reasons we saw a serious need to request the aviation bonus program. We now have most of those pilots signed up for 4 years. It will carry us through that point and we will be able to compete in a reasonably favorable way with the airlines.

Senator COHEN. Thank you, Mr. Chairman.

DEPENDENTS OVERSEAS

Senator JEPSEN. General Bronars, in your statement you describe the Marine Corps plan to allow more dependents to accompany career soldiers on assignment in Japan and Okinawa. What additional facilities would have to be built in Japan and Okinawa to accommodate these dependents?

General BRONARS. The biggest constraint on the two areas of major Marine Corps concentration, Okinawa and Iwakuni, is family housing. We believe that, based on information we have received, the Japanese intend to increase the funding of what they call the Japanese facilities improvement program, which is designed to support U.S. forces in Japan. They are going to increase that funding level by 27 percent, I believe, in fiscal year 1984, and intend to increase it some 25 percent each succeeding year for about 3 years.

If this happens, and appropriate priority is placed on family housing on Okinawa, most of the funding necessary to support an expanding accompanied billet profile for marines on Okinawa could well be through that program. Obviously there are some ancillary costs that will occur related to the increased numbers of dependents that are there, but the major cost we hope will be funded by the Japanese.

The fact is that right now, and Senator Cohen was talking about this very subject, quality of life more and more includes the family. More and more marines and more and more service personnel are married. Separations are not very popular for people who get married to be together. The Marines have about 21,000 personnel on Okinawa. Four percent of that 21,000 are accompanied.

Obviously, it is not something that is conducive to reenlistment, particularly for those individuals that are reaching retirement age. We have many lieutenant colonels that become eligible to retire and, rather than take another separation from their family, they leave. Otherwise, they would not leave.

So it is a very important retention consideration, but mostly it is only fair that we try to allow families to stay together. As a consequence, the Commandant is committed to allowing his marines to have more accompanied tours on Okinawa and we hope that you can support that initiative.

MARINE HOUSING

Mr. Herrington. Senator Jepsen, I would like to add one thing to that marine housing issue that General Bronars, I am sure, agrees with. An unaccompanied tour is 1 year and an accompanied tour is 3 years. Every time a new man arrives, he has 60 days to get into the learning curve of his job and when he is going to leave in 12 months he has another 60 days to get out. We waste an awful lot of money by not having accompanied marines over on Okinawa. From an efficiency, learning, training, and preparedness basis, we can really gain a lot of mileage if we let families go over to Okinawa.

General Bronars. Well, I would footnote that with a comment that, as you know, one of our three Marine amphibious forces, that is a combination of a wing, a division and a force service support group, stationed in Japan. Now if we try to support that forward deployment with unaccompanied tour personnel, it destabilizes the entire Marine Corps simply by providing individuals there on a 1-year tour.

As a consequence, it affects our readiness throughout the Marine Corps because we have to separate leader from led. You need a captain out there, and you get a captain from where, Camp Lejune or Camp Pendleton. He happens to be a company commander there and he has to go because it is his time in the queue. The same thing happens with enlisted personnel. You take them out of a unit that they have been training with for a long period of time and you send them to Okinawa to maintain the force levels out there. As a consequence, it is a very important readiness consideration.

Senator Cohen. Are you optimistic that the Japanese are going to increase their contribution for that housing?

General Bronars. As of now, I am fairly optimistic.

Senator Cohen. The staff just handed me a memo that we are having a visit by a young Japanese diet delegation from Japan. They want a meeting with me next week. Do you think that is something I ought to raise with them?

General **Bronars**. Yes, sir. I think it would be very useful. As a matter of fact, I can have a member of my staff give you all the information we have on that subject, if you desire.

Senator **Cohen**. That would be very helpful, yes.

General **Bronars**. Yes, sir.

FURLOUGHED PILOTS

Senator **Jepsen**. In closing let me touch on the pilot situation. The airlines have furloughed many pilots, approximately 4,500, as a result of the economy. Does this factor have a great bearing on aviation retention rates and the bonus, or have you had any surveys, or are you thinking of any surveys just to compare notes? If you have, I would like to discuss them.

Admiral **Zech**. We know when the airlines are hiring it is a problem for us. When they are not hiring and are furloughing we have a recall program going, Mr. Chairman. We review the records on a continual basis of our best young pilots that are leaving the Navy and write them letters inviting them to come back. The recall program is very effective and we do benefit from the airline furlough situation.

Senator **Jepsen**. Senator Exon has some questions which will be submitted for the record.

In closing I want to say that I appreciate the cooperation and the working climate that we have developed, Mr. Secretary, with the Marine Corps and the Navy and Admiral Zech has been more helpful as has General Bronars. I want to encourage that and I want to reinforce it. I want us to continue to be candid and I hope reinforce this trusting working relationship that I feel has developed.

We have got some problems, but if we have the same goals, as I believe we do, and in working together we can resolve them. So as things unfold now and we move along if you have any work that you are doing on the ideas for pay increase, please let us in on it.

General **Bronars**. I would just like to footnote something that Senator Cohen said in a different way. I think there is always a tendency when things are going well to cut back. We have always been on this roller coaster as far as manpower in the services. Things are going well now. They are going well because we have done the right things over the last few years.

But there is now a tendency to say let's cut the pay, let's cut benefits, let's cut enlistment and reinlistment bonuses. Senator Jepsen and Senator Cohen, I hope that you have an influence on your fellow Senators to avoid that this year, because we have a long way to go through this next decade and need all of the quality of life and fair compensation that we have managed to get over the last few years.

Admiral **Zech**. I would also like to say, Mr. Chairman, that I support that view completely. We are on the right track now. Our indicators are all in the positive direction, but we have just gotten started in the Navy. We are in a hole. We are coming out of the hole. I think we are doing it in the right way.

To cut back on the 8-percent pay raise, in my view, would be devastating to our personnel situation in the Navy. We have things moving now. The momentum is absolutely necessary and we want to do everything we can to support your continuing efforts, because it is absolutely vital to keep the momentum going.

We in the Navy would have a very serious problem if we are sent the wrong signal. The signal has been sent to our Navy people and they understand it now. They are very appreciative for the awareness of the Congress, and the American people for that matter, to their contributions and for their service to their country.

I honestly believe that anything short of the 8-percent pay raise that the President submitted would be devastating. I think it is necessary we keep up the momentum.

Senator COHEN. Can I just respond? I think we look for excuses in which to undercut ourselves. Whatever charges were valid back in 1979 about our deficiencies have been corrected, or at least we are well on the road to correcting them. If there were too many category IV's, well, they are being eliminated or substantially reduced. If the reading level has been too low, well, we have insisted upon a higher level of high school graduates now, as far as the percentage is concerned. That is being done.

In every single area of criticism, we have taken large steps to correct the problems. Then they say, well it is too expensive. It is too expensive for the volunteer force, and therefore we will go back to a draft. Yet, some studies show it is $2 billion more at a minimum to go to a draft. They say, well even if that is true, even if it is more expensive for a draft, even though you had higher incidents of desertion, AWOL and indiscipline during periods of the draft than you do with the Volunteer Army, it is still un-American.

So I think there is always going to be an effort to undercut the very successes we have made. Frankly, we are not going to be able to sustain ourselves against assaults on the floor unless we have the professional military judgment to back us up. We can cite your testimony when getting on the floor and say, well, that is what the charge is, but here is what the facts are. Hopefully we will prevail in that, even this year when another drumbeat will start.

Again, it is not my own opposition to the draft. That is not the issue, really. The question is, how do we get more, more ready? Do we get more ready with a draft or do we get more ready by doing the things that we ought to do to keep people in? My judgment is to keep people in. The draft is necessary if we have to get the numbers. If we need them fast we will get them. But I don't want to see us undercut the kind of strides we have made.

Thank you, gentlemen.

Senator JEPSEN. Does anyone have any further comments?

Mr. Secretary?

Mr. HERRINGTON. I want to thank you for allowing us to testify before you today. We appreciate this opportunity to bring our views to you. I want to assure you of our continued cooperation with you and the Members of your subcommittee and your committee. We, too, enjoy this working relationship and we promise to be as responsive as we possibly can to your needs.

Thank you.

Senator JEPSEN. Admiral Zech?

Admiral ZECH. No, sir. Thank you.

Senator JEPSEN. General Bronars?

General BRONARS. No; it has been a pleasure.

Senator JEPSEN. For the record I wish to thank Tony Principi, Rick Finn, and Jon Etherton and other members of our staff here who are doing their usual good job, even better, and I want to encourage that type of thing.

I think too often we take too many things for granted with our own staffs and I appreciate what you are doing. I know that it will continue and I want you to know that we all appreciate it.

[Questions with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR ROGER W. JEPSEN

CONTRACTING COST SAVINGS AND EFFICIENCIES

Senator JEPSEN. Admiral Zech, the Navy has planned an ambitious contracting-out program for fiscal years 1982 and 1983.

Does the Navy consider the contracting out of commercial and industrial type activities (CITA) to be a useful process for achieving cost savings and efficiencies?

Admiral ZECH. Yes. Once we determine that a commercial activities function does not have to be performed in-house it can be subjected to a rigorous cost comparison procedure to determine the most cost effective method of performance, either through contractor or continued in-house performance. Through this process the Navy is able to obtain required goods and services at the lowest cost to the taxpayer.

IMPACT OF CONTRACTING ON READINESS

Senator JEPSEN. I understand that the individual services are entirely responsible for identifying the activities that will be studied for possible conversion to contract personnel. Does this policy insure that activities which are directly related to military readiness will not be studied for contracting-out? If not, why would the services select candidates for contracting-out that they knew to be important to their readiness?

Admiral ZECH. The Navy develops proposals for functions to be studied in each fiscal year and these are reviewed by the Office of the Secretary of Defense prior to public announcement. However, prior to this we determine which functions are not suitable for contracting based on established DOD criteria concerning statutory requirements, inherently governmental functions, military necessity and lack of available commercial sources. Functions which must be retained in-house to maintain military readiness are excluded from cost studies as a result of this review.

EXCLUSION FROM SECTION 502

Senator JEPSEN. Does the Navy support the exclusion of small contracting-out proposals from the reporting requirements of Section 502 of the Department of Defense Authorization Act of 1981?

Admiral ZECH. Yes. The Navy continues to support the proposal that small functions involving fewer than 50 Department of Defense personnel be excluded from Section 502 requirements, as the administrative costs involved can substantially reduce or eliminate cost savings where small functions are involved. If the restriction is lifted, the Navy will continue to make cost analyses on such functions as the basis for determining whether to retain them in-house or contract out.

MARINE CORPS DEFENDENTS OVERSEAS (JAPAN AND OKINAWA)

Senator JEPSEN. General Bronars, in your statement you describe the Marine Corps' plan to allow more dependents to accompany career soldiers on assignment in Japan and Okinawa.

How many accompanied billets are there now in Japan and Okinawa, and how many more do you hope to create?

Could you describe the personnel problems that you hope to relieve by allowing more accompanied tours in those areas?

What additional facilities would have to be built in Japan and Okinawa to accommodate more dependents?

General **Bronars**. Presently on Okinawa we have 922 accompanied billets and 346 at MCAS, Iwakuni. We hope to increase the number of accompanied billets on Okinawa by 6,810 for a total of 7,732. Of this total number, we estimate that only 5,088 of the billets will be filled by married personnel requiring housing. At Iwakuni, the increase is 1,066 for a total of 1,412 of which 928 will require housing. These increases will be generally offset by like decreases in unaccompanied billets. We intend to implement the change in policy in a phased manner over an extended period of time. Over the next 2 years, we intend to increase the number of accompanied tours by less than 500. The primary personnel problem that we hope to relieve by allowing more accompanied tours are in the areas of reduced personnel turbulence, increased billet continuity and increased unit stability. These factors, combined with higher morale, should increase overall combat readiness. To accommodate this program in its entirety, 3,827 new family units would have to be built on Okinawa, and 576 at Iwakuni. These new family units account for the major cost necessary to support this new policy. Based on current and programmed funding for the Japanese Facilities Improvement program, it would appear that all or most of this cost may very well be funded by the Japanese Government.

MANNING A LARGER NAVY

Senator **Jepsen**. Secretary Herrington, the Navy is currently planning to expand to 600 ships and 15 carrier battlegroups by 1990. For several years, the Navy has cited shortages of personnel as the main reason for diminished readiness.

In light of this readiness problem with the existing fleet how does the Navy expect to attract and retain the required number of personnel with the needed technical skills to man an even larger force?

Secretary **Herrington**. Attracting and retaining sufficient officer and petty officers with the necessary skills to man a growing Navy is the Navy's manpower and personnel challenge of the eighties. We have a plan that will meet this challenge and also reduce the petty officer shortfall.

The five major elements of our plan are:

Maintain military pay at competitive levels.

Continuation of our Selective Reenlistment Bonus program to provide a targeted retention incentive.

Emphasis on improving the quality of life for our sailors and their families.

Management of our personnel inventory to ensure that a balance is maintained and surpluses in skill areas are avoided as the inventory grows.

Continued emphasis on Pride and Professionalism.

I am confident that with the continued support of the Congress we can both increase our personnel readiness and man a growing Navy.

PETTY OFFICER PROMOTIONS

Senator **Jepsen**. In an effort to grow the necessary number of petty officers, has the Navy increased the number and rate of promotions?

Admiral **Zech**. Before responding to your question let me describe the Navy's advancement system. The Navy's advancement system incorporates two concepts. First, in order to determine the number/rate of personnel advanced to the next higher paygrade a "vacancy" must exist for the individual to fill. In order to fill these "vacancies" with the best qualified individuals, the Navy is currently using DOD waiver authority to maximize the opportunity for early advancements. Additionally, during the past two years over 95 percent of the E-4 test takers have passed the advancement examination and over 90 percent of those have been advanced. Thus, we have increased the advancement of qualified service members to the E-4 paygrade over the last few years in order to help fill our petty officer billets. We are maintaining quality standards through implementation of the second concept. Our "whole man concept" insures the Navy promotes only those personnel who have demonstrated an acceptable level of professional performance in such areas as advancement examination scores, professional qualifications, professional performance and awards. The commanding officer, with his ability to closely observe the capability of the individual to perform at higher paygrades, is a key link in this process through his evaluation of the individual as well as by virtue of his authority to allow an individual to take the examination. The current OSD criteria with respect to total military length of service requirements as well as the whole man concept advancement system ensures the Navy is obtaining properly qualified petty officers.

MANNING A LARGER NAVY CAREER PERSONNEL

Senator **Jepsen**. What does the Navy estimate will be the percentage career content of the force in fiscal year 1983? What is the optimum percentage of career personnel?

Secretary **Herrington**. In fiscal year 1983, careerist inventory, those with between 5–30 years of service, will represent 44 percent of the active full duty force. The optimum percentage is 49 percent. We anticipate achieving this objective by 1987.

LEGISLATION TO REDUCE DRUG ABUSE

Senator **Jepsen**. Secretary Herrington, I have been impressed by the aggressive campaign that the Navy and Marine Corps have mounted to reduce drug abuse among their sailors and soldiers.

What can Congress do to assist you in this campaign? Could you recommend any specific legislation that would support your efforts?

Secretary **Herrington**. In general, Congress has already aided us by being extremely supportive of our "people programs." Improved quality of life impacts in two essential areas: improved retention and reduced drug abuse.

I previously mentioned a number of initiatives we are considering in relation to the UCMJ and that we are also giving thought to a proposal to include in the initial reenlistment contract prior consent to provide bodily fluids as a condition of military service. Specific legislation in other areas that would support our efforts against drug abuse includes such measures as providing for a reimbursement for education and training received when an individual is disqualified for misconduct (including drug abuse). A monetary payback for advanced education leading to commissioning (USNA or NROTC scholarship) and a penalty for advanced technical training (e.g., flight training, nuclear power training) are two areas where Navy and Marine Corps would recoup some of its losses and enhance deterrence.

In order for our Commanding Officers to most effectively carry out their responsibilities of command, particularly in the area of drug abuse enforcement, they must not be hampered by concerns of personal liability. Enactment of one of the bills to provide for an exclusive remedy against the United States in suits based upon acts or omissions of United States employees, such as S. 1775, would relieve our Commanding Officers of any fear of individual liability for their actions in carrying out our war on drug abuse. S. 1775, introduced by Senator Grassley and Senator Dole, would provide the type of assurance necessary.

SHORTFALL IN DELAYED ENTRY POOL

Senator **Jepsen**. Admiral Zech, you explain in your prepared statement that you are concerned with the difficulties the Navy has experienced in filling the delayed entry pool. The Navy wrote fewer recruit contracts in fiscal year 1981 than in fiscal year 1980.

What is the reason for this decline in the Delayed Entry Pool?

Does it indicate that the Navy might be about to encounter serious problems in reaching its recruiting goals in the next few years?

Admiral **Zech**. The decline in the Delayed Entry Program (DEP) pool may be attributed principally to two factors:

(1) an increased fiscal year 1981 accession goal without a concomitant increase in recruiting personnel and resources; and,

(2) an increase in entrance standards to compensate for the misnormed entrance test which existed in fiscal year 1980. The net result was that Navy wrote fewer contracts of better quality in fiscal year 1981 and in addition had to draw down its DEP to meet the increased accession goals.

No, the fiscal year 1981 problem does not indicate we are about to encounter serious problems in the next few years. Navy has initiated a "Get Well" program which will allow attainment of annual accession goals while gradually building the DEP pool, over the next several years. Our planned strategy should guarantee recruiting success. Critical to the success of this program is the budgeting of adequate resources based upon long-term Navy level effort to meet manpower requirements, rather than annual adjustments based on accession goals. Provided the resources, we fully expect to man the growing Navy of the 1980's.

SHORTAGES OF CRITICAL SKILL PERSONNEL

Senator JEPSEN. Admiral Zech, in the aggregate the Navy is essentially 100 percent manned. At that same time, however, the Navy is experiencing critical shortages of personnel with technical skills and personnel in less-than-desirable occupations.

What initiatives is the Navy taking to address the problem of skill imbalances? balances?

Does the Navy allow personnel to re-enlist when their ratings are overmanned?

To what extent is the Navy using prior service recruits to relieve shortages of critical skill personnel? What problems discourage further expansion of your prior-service recruiting efforts?

Admiral ZECH. Specific management actions have been taken to correct and head off future skill mismatches. First is an emphasis at the front end of the entry pipeline to Navy's "A" schools in order to channel personnel into specific ratings. Secondly, on-the-job training plans have been tailored to ensure the proper input into various skills. Lastly, Navy has tightened its reenlistment/forced conversion policy to ensure that the proper balance between skills is maintained. Through these management actions and programmed resources, Navy has the necessary management tools to eliminate shortfalls and maintain a viable rating by rating inventory that will support Navy's growth to man a 15 battle group Navy.

Only under controlled conditions on a rating-by-rating basis. This is done in a manner designed to provide the necessary growth to meet future force requirements. Controls are increasingly stringent depending on the level of manning and future growth requirements for a particular rating. Controls include, for example: entry restrictions into a rating, prior service experience and advancement opportunity in a rating.

In fiscal year 1981, 3,799 out of 12,314 prior service veterans were attracted back into ratings which were manned at less than 90 percent. Although we are emphasizing our prior service recruiting effort and have policies in effect which take advantage of current economic conditions, Navy does not believe that any substantial increase over the fiscal year 1981 attainment of 12,314 veterans will occur. This is due to the very nature of the prior service recruiting market which can be described in terms of three factors. First, the market expands as the economy slows down. I feel the current economic situation probably has expanded the market close to its maximum. The second factor can be described as a taste for sea service; in other words, prior service veterans have for the most part already made up their minds with respect to their adaptability to Navy life and are simply not interested in returning to the Navy. The final factor relates to qualifications. Many of our prior service veterans may no longer possess the skills or be able to satisfy Navy's quality requirements. Thus, these three factors act to limit our prior service recruiting effort.

EXPIRATION OF AUTHORITY FOR COMPENSATION ITEMS

Senator JEPSEN. The authority for certain compensation items expire on September 30, 1982. Identify those items which the Navy believes should be extended and the justification for doing so.

Admiral ZECH. There are three compensation authorizations of importance to the Navy which expire on September 30, 1982. They are:

Aviation Officer Continuation Pay (AOCP)

Enlistment/Selective Reenlistment Bonus (EB/SRB)

Reimbursement for quarters during overhaul when shipboard quarters become uninhabitable.

The Aviation Officer Continuation Pay has proven an effective cost saving measure to alleviate the pilot/naval flight officer (NFO) shortage. Navy retained an additional 489 pilots with AOCP in fiscal year 1981 who would not have been retained without this bonus. The current replacement training cost of a Navy pilot is about $760,000. Had we not retained the 489 pilots, the total replacement cost to train replacement pilots would have been $371,000,000. This compares with an AOCP cost of only $26,000,000. The aviation bonus has clearly shown its value and should be retained until the Navy's aviation officer shortages are corrected. Because of AOCP, pilot and NFO retention is expected to reach 45 percent and 70 percent, respectively, in fiscal year 1982. Although NFO retention is healthy, the requirement to cross-detail NFO's into traditional pilot billets has increased the NFO shortage in the fleet to 16 percent. Because many of our combat aircraft are "team aircraft" the NFO shortage must be viewed with the same critical eyes as the pilot shortage. We have begun to fill the shortfall, but still have a long way to go. Continuation of AOCP for our pilots and NFOs is necessary if we are to resolve our aviator shortfall.

The Selective Reenlistment Bonus serves as the linch-pin in our efforts to retain career enlisted personnel in critical areas. Eliminating the shortage of experienced mid-grade petty officers is critical to our efforts to improve combat readiness and man the 15 Battle Group Navy by 1990. Since we "grow our own" career force, it is imperative that a cost effective retention incentive be available to attract petty officers in critical skills. Replacing a single aviation fire control technician (AQ) with 10 years of service would require 6 new accessions for a total replacement cost of over $605,000. The effectiveness of SRB as a cost saving measure (with a maximum bonus of $20,000 for a six year reenlistment) is clearly evident from the above example. Its effectiveness as a retention tool has been adequately demonstrated and I strongly urge that the Congress continue the program beyond September 30, 1982.

As for the expiration of the BAQ reimbursement program, we must be able to continue reimbursing members for quarters expenses at overhaul sites when their shipboard quarters become uninhabitable. We are continuing to make significant advances in providing living barges and other government facilities for this purpose and so the costs of this item continue to recede. However, due to the number of diverse overhaul locations, circumstances arise where government quarters or barge facilities are unavailable and the service member is forced to live in non-government quarters. I feel very strongly that they should be reimbursed for those expenses. Navy expects to achieve a steady-state minimum shortfall of 456 living spaces by fiscal year 1985. The total steady-state funding requirement is expected to be $1.3M annually by fiscal year 1985.

AOCP BONUS

Senator **Jepsen**. What is the total number of pilots and NFOs who have received the AOCP bonus and are not currently assigned to operational flying billets and the number who are assigned to operational flying billets but do not fly on a routine basis?

Admiral **Zech**. Of the 6,652 aviators who have obligated for the aviation bonus to date, 752 pilots (16.7 percent) and 682 NFOs (31.8 percent) are not currently assigned to operational flying billets. The remaining 5.218 aviators (3,758 pilots and 1,460 NFOs) are assigned to operational flying billets in which the officer is required to participate as a crewmember in the operation of an aircraft or its weapons system in support of specific aviation operational missions. All aviators assigned to operational flying billets are required to fly routinely in order to assure an acceptable level of readiness and to enhance aviation safety.

Question Submitted by Senator William S. Cohen

NAVY'S TEN-POINT PROGRAM TO COUNTER DRUG ABUSE

Senator **Cohen**. Not long ago, I received a visit from an old friend of mine, Admiral Mulloy, who told me of a tough new 10-point program established by the Navy to counter drug abuse. I applaud you for taking this initiative. Could you trace for us the impetus for the program, its basic features, and the level of success of enforcement efforts thus far?

Admiral **Zech**. The impetus for the Navy's tough new Ten Point Program stems from our genuine concern about the extent of drug abuse among our ranks. Last year the result of two surveys on drug abuse prevalence, one sponsored by DOD and a separate urinalysis survey sponsored by the Navy, indicated that we needed to take tougher actions to combat this problem.

The Navy's Ten Point Program is designed to improve our ability to control drug abuse through strengthened actions in the areas of preventive education and training, aggressive detection and deterrence, expanded assessment and evaluation, and improved treatment and rehabilitation for those with potential for continued useful service. The twin actions of leadership and peer pressure are key to the success of the program. The basic features of this program are as follows:

1. The Navy Drug Safety Action Program is a 36-hour, after-hours remedial education and motivational counseling program for identified drug abusers. It is modeled after the highly successful Navy Alcohol Safety Action Program.

2. New portable urinalysis kits have been purchased and distributed to the fleet to enhance drug abuse identification. These kits now have the capability to test for cannabis and, when their results are confirmed by certified DOD Drug Screening Laboratories, we can take disciplinary actions in appropriate situations. We will have approximately 270 of these portable urinalysis kits deployed by the end of fiscal year 1982.

3. The Limited Duty Officer/Warrant Officer Law Enforcement Program will provide the expertise to effectively administer all law enforcement aspects of an aggressive drug enforcement program.

4. An additional 200 Drug Detector Dog Teams will be fielded between fiscal years 1981 and 1983, substantially increasing the detection and deterrence capabilities provided by the present dog teams.

5. A headquarters Inspection and Assistance Team of four experienced officers will provide much needed feedback information for a continuing Navy-wide assessment, and will help commands combat drug abuse by improving their local programs. This will also meet the DOD requirement for the services to assess their headquarters staff size and to increase field inspection visits.

6. The Navy Alcohol and Drug Information System (NADIS) enhancement will add identification and law enforcement information to the Navy Alcohol and Drug Information System data base.

7. A total of 9 officer billets will be distributed to the major command staffs to provide Alcohol and Drug Abuse Control Officers (ADCO). Each ADCO will be responsible to his commander for all elements of the Drug Abuse Program, including detection, deterrence, identification, treatment, rehabilitation, education and prevention, assesment and evaluation.

8. Two enlisted Drug Abuse Specialists will be assigned at each Human Resource Management Center in fiscal year 1982 to assist commands in establishing viable drug prevention programs.

9. The Master at Arms Mobile Training Team initiative establishes a team on each coast that will provide technical assist visits, inspections, and classes in implementing an effective drug enforcement program afloat.

10. A more comprehensive educational program on the subject of drug abuse is being developed for implementation at all officer and enlisted accession points and throughout officer and enlisted careers including senior schools (e.g., Prospective Commanding Officer courses, Surface Warfare Officer course). This program is aimed at educating all personnel on the dangers of drug abuse and the Navy's unyielding policies on this subject; and at providing career sequenced substance abuse education at significant transition points in an individual's career.

Our initiatives to date have been successful, however it is difficult to quantify the specific level of success of enforcement efforts at this time. In general it can be said all echelons of the Navy are supportive of this policy and are doing their utmost to make it work, to eliminate the menace of drug abuse. For instance, since June 1981 over 130 pounds of marijuana have been detected and seized by our Drug Detection Dog Teams. The number of drug related investigations closed by the Naval Investigative Service has increased by approximately 40 percent (from 3880 to 5571) during 1980–1981. Investigations that are forwarded for disciplinary action have resulted in stiff penalties where warranted. The word is out to all hands that Navy is serious about eliminating drug abuse. We will help those who seek help and remove from the service those who won't change their drug abuse.

FISCAL YEAR 1982 RECRUITING RESULTS

Senator COHEN. The Air Force has testified that it has already recruited 80 percent of its goal for this fiscal year. Not all of those have come in yet, of course, but they are in the delayed entry pool. How is the Marine Corps doing in this regard?

General BRONARS. As of March 1, 1982, we have shipped to the recruit depots or enlisted in the Delayed Enlistment Program 70.7 percent of our fiscal year 1982 regular non-prior service accession goal.

IMPACT OF SEA AND SUB PAY IMPROVEMENTS

Senator COHEN. What impact have sea and sub pay improvements had on retention?

Admiral ZECH. The impact of increased sea pay on improved retention is difficult to discretely quantify since this specific enhancement was among several compensation improvements which occurred in the same general timeframe. So, while we cannot tell you the exact percentage increase sea pay had on retention, we can, however, see substantial improvements in personnel readiness at sea. Specifically, we have seen a 38-percent increase in the number of personnel reenlisting for sea duty during the 12 months following the enhanced sea pay as compared to the 12 months prior. Similarly, sea pay improvements have contributed to increased numbers of careerists requesting to extend their sea tours at sea in fiscal year 1981. Both the increases in reenlistments for sea duty and extensions to stay at sea have contributed to a 4.6-percent increase in manning at sea in the E5 to E9 paygrades. In actual numbers, there were 4,233 more E5–E9s at sea in fiscal year 1981 than in the previous fiscal year. These gains enabled the fleet to improve personnel readiness at the end of fiscal year 1981 over that experienced at the end of fiscal year 1980.

Submarine Duty Incentive Pay has had a significant favorable impact on the reenlistment rates of submarine personnel. During 1981, the first year for which Submarine Duty Incentive Pay was authorized, there were 18 percent more reenlistments of submariners than 1980. First, second, and third term retention rates were higher than they have been for the past three years. The most substantial increases were in reenlistment rates of career petty officers. If these higher retention rates can be sustained, the current shortages of submarine supervisory personnel can be eliminated.

600-SHIP NAVY

Senator COHEN. What do you project your manning requirements to be with a 600-ship Navy, and what steps are you taking to provide for the growth necessary in long-term recruiting and retention of qualified petty officers?

Admiral ZECH. We need to grow about 79,000 more enlisted people above our fiscal year 1982 strength to man a 600-ship Navy in 1990. Of these approximately 52,000 must be petty officers. Building up to this level of petty officers by 1990 will depend on successful retention and recruiting; in this effort, our single most important asset is providing adequate compensation.

The administration and the Congress have taken significant action in the form of compensation improvements for the sailor, such as real growth pay raises, sea pay improvements, and Selective Reenlistment Bonuses. Navy is using these tools, together with an aggressive Quality of Life program, to retain our trained personnel and to recruit quality candidates.

Recruiting and retention could become increasingly difficult as the available number of 18–24 year old males decreases and economic conditions in the private sector improve. However, with the continued support of Congress we will meet the manpower requirements of the growing Navy, and will continue to reduce the petty officer shortfall.

NAVY PETTY OFFICER SHORTFALLS

Senator COHEN. Can you tell me how the 20,000 man petty officer shortfall compares to historical petty officer levels?

Admiral ZECH. The following table provides the petty officer shortages since 1970.

TOP 6 (E4–E9) PETTY OFFICER SHORTFALL

[By fiscal years]

	1970	1971	1972	1973	1974	1975
Auth	378.2	346.2	339.1	334.7	314.2	307.6
Inv	369.6	341.6	319.0	302.5	288.3	287.8
Shortfall	8.6	4.6	20.1	32.2	25.9	19.8
	1976	1977	1978	1979	1980	1981
Auth	302.9	308.8	308.7	305.8	309.9	315.2
Inv	280.1	278.2	283.0	283.0	288.2	293.2
Shortfall	22.7	30.6	25.7	22.8	21.7	22.0

Although significant petty officer shortages have existed since fiscal year 1972, the impact of the shortage was exacerbated during the latter part of the decade due to declining experience, as expressed by years of service, of the career force. For example, in fiscal year 1974, there were about 193K careerists (members with 5 to 31 years of service), with 110K of this number senior careerists in the 11 to 31 years of service category. By fiscal year 1980, the total number of careerists was roughly the same, but the number of senior careerists had declined to 88K, while the junior careerists had increased to 105K. The impact on the fleet was that more junior, less experienced petty officers were filling key supervisory billets. Fiscal year 1981 saw a 10,500 increase in careerists. By fiscal year 1987, the number of careerists will exceed the fiscal year 1974 levels and the petty officer shortage will be reduced to almost 8K.

Senator COHEN. Is the petty officer shortfall characterized by shortages in particular grades or is it more related to skill areas?

Admiral ZECH. The petty officer shortfall is an across the board shortfall. Historically, the shortfall has occurred in all petty officer paygrades and in the overwhelming majority of enlisted skill areas. Our sea intensive skills are experiencing a more severe shortfall than other ratings. For example, looking at the shortage from a skill area perspective, Navy, in fiscal year 1981, had 50 career petty officer skills manned at less than 90 percent, 44 skills manned at 90—100 percent and 2 skills overmanned which is defined as manning greater than 110 percent.

Senator COHEN. When was the last time you have been at full petty officer strength? And what are your projections in terms of bringing the Navy up to full petty officer strength?

Admiral ZECH. Historical data indicates that Navy never fully attained petty officer authorizations during the 1970s. However, Navy was close to authorized petty officer strength levels in fiscal year 1971 when the inventory was 98.7 percent of authorized petty officer billets.

Navy projects an 8,000 petty officer shortfall in the Top Six (E4–E9) paygrades by end of fiscal year 1987. If planned resources are provided, this shortfall can be virtually eliminated by fiscal year 1990. Navy will eliminate the petty officer shortfall by a combination of management and compensation actions. Our management strategy includes: growing the delayed entry recruiting program, sustaining the recruiting of 12,000 prior service veterans per year, emphasis at the entry point into specific ratings through "A" School or through on the job training plans to ensure the proper input into the various skills, tightened reenlistment standards and forced conversions to ensure that the proper balance between skills is maintained. Our compensation strategy requires that we sustain the pay comparability gained from the pay raises passed by the 96th and 97th Congresses, as well as receive your continued support of compensation initiatives as well as receive your continued support of compensation initiatives in the budget. With your support, Navy can eliminate the petty officer shortfall and grow sufficient numbers of additional petty officers to man all petty officer billets associated with a 600-ship Navy.

QUESTIONS SUBMITTED BY SENATOR J. JAMES EXON

MILITARY PAY RAISE FOR 1982

Senator EXON. Admiral Zech and General Bronars, the fiscal year 1983 budget submitted by President Reagan includes a very large deficit which many predict will be even larger.

In light of this country's current economic situation, what do you think would be the effect of a cap on military pay in fiscal year 1983 below the three percent proposed by the administration?

General BRONARS. To answer this question we need only review the disastrous results of the pay cap and reallocation of the 1970's. In 1975, a cap was placed on the military pay raise. In 1976, 25 percent of the basic pay raise was reallocated into Basic Allowance for Quarters. In 1977, 12 percent of the basic pay raise was reallocated into BAQ. In 1978 and 1979, caps were again placed on the military pay raise. In 1980, even though the military pay raise was greater than the increase in the Professional, Administrative, Technical, and Clerical Wage Index, it was still capped at less than the increase necessary to restore comparability with the private sector.

The economic gains realized by capping military pay raises have been far outweighed by the heavy losses of precious human resources and attendant adverse impact on the Services' readiness posture. To avoid the unacceptable national security risks associated with a repetition of such losses, military pay comparability should be maintained with the private sector and future military comparability adjustments should be exempted from any pay caps.

The primary reason for increasing military pay by an average of 14.3 percent last October was that such a raise was necessary to make up for the effects of previous Presidential pay caps. Having just restored a rough balance between military pay and that of private sector workers, Congress now is considering a military pay freeze that would return to an imbalance that we just left.

Steady funding of worthwhile, necessary items such as military compensation is the answer. If military pay is frozen or capped at only 5 percent, military personnel will again fall behind their civilian counterparts in pay. This will have to be resolved sooner or later by providing military personnel a catch-up raise, but even a catch-up raise will not regain the numerous highly qualified, mid-career personnel who might get out because of what they perceived as unfair treatment. Congress should consider the added costs that will result from lower retention which will require more money for recruiting and training. This additional expenditure will not replace the experienced men and women that will be lost with pay caps. Although general economic conditions in the private sector should not be overlooked, recent accessions in enlistment and reenlistments can be attributed in large part to compensation improvements.

GI BILL

Senator **Exon**. Admiral Zech, the only reference in your statement to a GI bill is your request that Congress extend the 1989 termination date for using benefits earned under the old GI bill. Does this mean you do not consider enactment of a new GI bill a high priority as far as the Navy is concerned?

Admiral **Zech**. The extension of the Vietnam era GI bill beyond the current 1989 termination date is the Navy's highest educational benefits priority. A new GI bill would be a tangible investment in our country's future and could, if properly structured, enhance both quality accessions and retention. While there is not an immediate need for a new GI bill, changing conditions could require one in the future.

Senator **Exon**. General Bronars, you apparently feel the Marine Corps needs a new GI bill. With all the success in recruiting and retention that we have heard about in the last year, why does the Marine Corps need a new GI bill?

General **Bronars**. If I said the Marine Corps needs the GI bill, I would like to correct the record. The Marine Corps does not need the GI bill in the sense that without it we would somehow be unable to meet our manpower requirements through recruiting and retention. That is not the case. Of the four military services, the Marine Corps will probably be the last to experience the type of extreme difficulty that would cause the administration and the Congress to do the things necessary to insure that military manpower needs are met. If that is true, there is a great possibility that the necessary action will already have been taken, and the Marine Corps will benefit from that action before experiencing extreme difficulty in satisfying personnel requirements. The Department of Defense position is that the Veterans Educational Assistance Program should be continued thru fiscal year 1983, rather than a new educational benefits program.

END STRENGTH INCREASE

Senator **Exon**. Admiral Zech, some reports show a strength increase for the Navy of 16,000 in fiscal year 1983. Your statement says the increase is 28,000. What is the correct figure?

Admiral **Zech**. The correct increase in active duty strengths in fiscal year 1983 is 28,000. The 16,000 figure results from comparing the fiscal year 1982 end strength which was funded by the Military Personnel Navy (MPN) appropriation with the equivalent category for fiscal year 1983. In fiscal year 1982 this category included approximately 12,000 TAR officers and enlisted personnel who are on active duty in support of the Naval Reserve. However, in fiscal year 1983, TAR personnel will be funded by the Reserve Personnel Navy (RPN) appropriation and are included in the Selective Reserve strength. To display an accurate picture of the fiscal year 1982 to fiscal year 1983 active duty strength increase, the totals for both years should either include or exclude the TAR personnel.

NAVY SUPPORT GROWTH

Senator **Exon**. Admiral Zech, out of the 28,000 increases discussed in your statement, only 7,100 appear to be in combat areas. Is the rest of the increase in suport functions? Isn't this a rather disproportionate growth in the support establishment?

Admiral **Zech**. Of the total 28,000 end strength increase, 6,800 is for support forces. Of this 6,800, 2,400 are for increased training workloads and consist of instructors, staff and aircraft maintenance personnel. An additional 800 are in intelligence and communications activities and the remaining 3,600 are for direct and fleet support, such as maintenance and personnel support. This increase of 6,800 is for valid workload-driven requirements and is consistent with the expanding force level growth.

TRANSIENT ACCOUNT

Senator **Exon**. Admiral Zech, your statement says that the "transient account" increases take 6,200 of the 28,000 active duty increases. What is the transient account?

Admiral **Zech**. The transient account includes all military, both officers and enlisted, who are not available for duty while executing Permanent Change of Station (PCS) orders. More specifically, military personnel who are in a travel, proceed, leave enroute, or temporary duty enroute status while executing PCS orders (accession, separation, training operational, or rotational moves) are in this account.

TRANSIENT ACCOUNT END STRENGTHS

Senator **Exon**. How large a portion of the Navy's active duty Manpower is included in the transient account?

Admiral **Zech**. The transient account includes 5,089 officers and 26,322 enlisted; it represents. 5.5 percent of the total fiscal year 1983 active authorization request. The definition and programming of this account is consistent with OSD guidelines and it represents our best estimates of the nonavailability times experienced in the Navy.

INCREASE IN TRANSIENT ACCOUNT

Senator **Exon**. Why does the increase in the transient account take 22 percent of the end strength increase in the fiscal year 1983 budget?

Admiral **Zech**. Through fiscal year 1982, Navy was programing transients on the basis of move category factors developed from a calendar year 1971 data base. Use of these outdated factors resulted in programing insufficient numbers of transients and, ultimately, undermanning of fleet units. In preparing the fiscal year 1983 budget, however, Navy used revalidated factors based on actual calendar year 1979 data. Thus the transient account is more properly sized and reflects the "cost of doing business" in executing Permanent Change of Station moves.

AVIATION REPLACEMENT SQUADRONS

Senator **Exon**. Admiral Zech, a portion of your end strength increase is for 1,000 instructors and 1,200 students for "Aviation Replacement Squadrons" training. What type of training is this? Do we really need almost one teacher for every student?

Admiral **Zech**. Aviation Replacement Squadrons conduct fleet replacement aircrew training for Navy Tactical and Anti-submarine warfare programs. In order to train additional pilots, NFO's, and Enlisted Aircrewmen for the 13th Airwing, the EA–6B force growth, and the LAMPS MK–3 program, Aviation Replacement Squadron flying hours and number of aircraft have been increased. The term "instructors" should have been further qualified in the posture statement. The 1000 increase is more correctly accounted for as an increase in classroom instructors, flight instructors, administrative and support staff, and maintenance personnel to support the increased tempo of operations and a greater number of aircraft. In that context, there is an incerase of 106 actual classroom and flight instructors, along with an increase of more than 870 maintenance personnel and of about 15 administrative and support staff.

NAVY STRENGTH INCREASES IN FISCAL YEAR 1983

Senator EXON. The Navy is requesting an increase of 28,000 in fiscal year 1983 but only 11,000 in fiscal year 1984, a total of 39,000 over the 2 years. Why wouldn't it make sense to ease the pressure on the recruiting command and have more even growth of 19,500 this year and the same figure next year?

Admiral ZECH. First, we believe the projected growth in each year is attainable, based upon our most recent retention and recruiting statistics. Second, the expected benefit in force readiness derived from increasing manning of existing units and squadrons would be delayed if the fiscal year 1983 end strength were reduced for the sake of accession smoothing.

The main reasons for the growth in both fiscal year 1983 and fiscal year 1984 are to man new ships and squadrons entering the fleet, to accomplish training for these units, and to provide the necessary shore support for the larger Navy. However, in fiscal year 1983 there also is end strength growth for increasing manning of existing units and for proper sizing of the transient account. Both of these actions directly result in increased manpower readiness.

SIZE OF THE NAVY

Senator EXON. Admiral Zech, what are the manpower implications of a 600-ship Navy? How large an active Navy will it take to support a 600-ship Navy?

Admiral ZECH. Increasing the number of ships to 600 will require a commensurate increase in manpower. We are planning on increasing the active enlisted force by about 79,000 and officer force by 11,000 above our fiscal year 1982 strength to man and support a 600 ship Navy by 1990.

Senator EXON. Can you man and support an active strength large enough to man a 600-ship Navy under present compensation policies? What changes, if any, will be required to support an active strength of this size?

Admiral ZECH. The Navy's ability to man the 600-ship fleet of the future depends on its ability to sustain a substantial improvement in career retention rates. From a compensation perspective, the following elements are critical:

Annual pay adjustments to maintain military pay at levels roughly comparable with the private sector.

An adequately funded Selective Reenlistment Bonus program to target at specific skill shortages in the petty officer force.

Maintain the value of special and incentive pay such as Sea and Sub Pay.

The pay raises and other compensation initiatives of the past two years have given us the positive start we need to meet this plan.

Senator EXON. As the size of the Navy increases, the requirements for senior petty officers also increases. What are your current projections for eliminating the 22,000 petty officer shortfall that has been plaguing the Navy for several years?

Admiral ZECH. Navy projects that the petty officer shortfall will be virtually eliminated by 1990. In other words, we will be able to eliminate our current petty officer shortfall as well as grow the petty officer inventories necessary to man our Navy of the future. We will need your help though. First, we need to sustain the momentum established in the 96th and 97th Congresses through pay comparability pay raises. Second, we need your full support for our fiscal year 1983 budget request which, among other things, emphasizes alleviating the petty officer shortages in the critical skill areas through our Selective Reenlistment Bonus program. Finally, we will need your support in the future for the resources we are programing which are targeted at the critically manned petty officer ratings.

On our part, we have a management plan in place which will target inventories into our critically manned skills and thus, expedite elimination of the petty officer shortfall. Specifically, our program is aimed at the critical path in an individual's career, at the career entry point and reenlistment decision points. With respect to the career entry point, our A school and on the job training plans are optimizing input into our ratings. At an individual's reenlistment points, we will tighten reenlistment policies and force conversions to insure that the proper balance between skills is maintained. Through these actions and with your continued support we will grow the petty officer inventories to man a 600-ship Navy and eliminate the petty officer shorfall.

PRIOR SERVICE PERSONNEL

Senator **Exon**. Admiral Zech, have the recent compensation improvements passed by Congress helped the Navy to attract back into service people who have left the Navy?

Admiral **Zech**. Yes, the compensation improvements passed with the 96th and 97th Congress have most definitely assisted our prior service recruiting effort. In fiscal year 1981, we recruited 12,314 prior service personnel, 27 percent more than in fiscal year 1980 and 81 percent more than in fiscal year 1979.

Senator **Exon**. What is the average grade and experience level of the people you are attracting back in?

Admiral **Zech**. The average grade of our prior service accessions is E–4. The information concerning average experience level is not readily available. It will be provided to the committee when it is developed.

Senator **Exon**. What is the average amount of time that these individuals coming back in have spent out of the Navy?

Admiral **Zech**. This information is not readily available. It will be provided to the committee when it is developed.

SKILLED ENLISTED RESERVE MILITARY TRAINING ACT

Senator **Exon**. A bill was introduced in the House of Representatives recently by Congressman Bailey to set up a Skilled Enlisted Reserve similar to Reserve Officer Training Corps.

Under this bill, the Secretary of Defense could give scholarships to individuals in critical skills at vocational and technical schools who would agree to a military service obligation. At the end of their training, these individuals would then enter the military at grade E–3 or E–4 rather than starting at the lowest grade of E–1.

What is the Navy's position on this proposal?

Admiral **Zech**. The Navy recognizes the potential value of vocational and technical schools as a source of quality enlistees and critical skill training. However, the Navy does not concur with the proposed bill as a cost effective means to satisfy the specific needs for technical training. The bill would pay for general education leading to an associate's degree which is in excess of the technical skill requirements that the Navy needs.

The Navy is conducting research to expand its Direct Procurement Enlistment Program (DPEP) which permits accessions at advanced paygrades for either civilian acquired technical training or workforce experience. The research will determine how best to match the Navy's demand for technicians with the capabilities of vocational and technical schools teaching blue collar skills. This effort will evaluate necessary incentives as well as address many other issues to insure the program will be successful. A part of this research, a pilot project which does not require enabling legislation will be conducted later this year.

The Navy appreciates the interest of Congressman Bailey and others in helping the services meet the challenge of attracting technically skilled individuals in an increasingly competitive environment. The Nacy will seek help, as appropriate, when the results of the current research effort are known.

JOINT SERVICE ADVERTISING

Senator **Exon**. How much of the Joint Service advertising budget was contributed by the Navy? Is it fair to say that this amount and your current amount budgeted for advertising would comprise the Navy advertising budget if there had been no contribution to the Joint Service account?

Admiral **Zech**. Navy's contribution toward an increased Joint Service advertising amounted to $2,400K in fiscal year 1982. Yes; had the $2,400K not been identified for the Joint Advertising budget, it is anticipated that Navy's fiscal year 1982 budget would have been at a $19,508K level rather than the current $17,108K level.

QUARTERS REIMBURSEMENT DURING SHIP'S OVERHAUL

Senator **Exon**. This committee has wrestled with providing authority to reimburse Navy personnel for quarters expenses when their ship is being overhauled on at least three previous occasions during my short tenure in the Senate. The first time this matter was discussed was during committee deliberations on H.R. 5168. The committee did not provide the requested authority and asked for a report documenting the need for temporary housing and how the Navy planned to meet that need. When the report was received, the Committee granted a one year authorization for fiscal year 1981 for no more than $9 million in H.R. 5766. At that time the Navy report predicted the cost of such allowances would drop to $4.7 million in fiscal year 1982 and would continue to decrease in future years. Last year in the DOD fiscal year 1982 authorization bill the committee granted a one-year extension of this allowance. What progress is being made towards meeting this need?

Admiral **Zech**. We have made significant progress in reducing the need to reimburse our personnel for quarters expenses when their shipboard quarters become uninhabitable during overhaul. As was reported in Navy's report to the Senate Armed Services Committee on 24 December 1981, by end fiscal year 1981 almost one-half of the fiscal year 1979 deficiency of 12,375 required living spaces was eliminated because of living barge construction and rehabilitation, and military housing construction programs in progress. Because of a number of changing factors such as military construction, shipyard locations, overhaul contracts, living barge availabiilty, etc., there will always be a need for the authority to pay a reimbursement for quarters expenses. We expect to achieve a steady-state minimum shortfall of approximately 456 spaces by fiscal year 1985. Navy's projected costs are $4.0M for fiscal year 1983, $2.7M for fiscal year 1984, and a steady-state $1.3M for fiscal year 1985 and beyond.

Senator **Exon**. How many berthing barges are available for this need?

Admiral **Zech**. We currently have 61 barges (15,245 living spaces) to meet the need. 36 barges (14,300 living spaces) have full messing and berthing capability, and 25 barges (945 living spaces) can handle duty crew berthing only. Ideally, we need 20–25 percent of our barges in overhaul to maintain high standards and prolong service life, but realistically because of austere funding we can only place 10–13 percent into overhaul at any given time. The net result is we can expect to have 53–55 barges or approximately 13,263 to 13,720 living spaces available.

Senator **Exon**. How many have been added over the last 3 years?

Admiral **Zech**. Over the last three years we have added seven barges which have 3,342 living spaces. During that period, we lost the service of one barge with 400 accommodations for 2 years due to an accident while under tow. Our net gain over the last 3 years has been six barges which have 2,942 living spaces. For the future, we expect to complete the conversion of the USNS *Darby* by June 1982 which will add another 2,000 accommodations. Also, from fiscal year 1892–1984 we expect to complete construction on 10 new barges which will add another 2,570 accommodations.

POTENCY OF THE REENLISTMENT BONUS

Senator **Exon**. Last year in the appropriations bill Congress directed that reenlistment bonuses be paid over the life of the reenlistment—half at the time the member signs up and half paid over the life of the reenlistment. Admiral Zech, you make the argument that this may be counterproductive. Would you elaborate for the record on what the effect is of this change on the potency of the reenlistment bonus?

Admiral **Zech**. The change in reenlistment bonus payment procedure from lump sum to 50 percent of the bonus on reenlistment with the remainder in equal annual installments will reduce the incentive value of the bonus. Many of our sailors use their bonus to make major purchases such as a house, automobile, etc. The flexibility to make this type of purchase and therefore the incentive, is reduced when what was an $8,000 bonus in one lump becomes a $4,000 payment on reenlistment with annual payments of $1,300 for the next three years. In addition to the loss in flexibility, there is also a real loss in purchasing power, as the worth of remaining installment payments is eroded by inflation.

Preliminary analysis indicates that Navy will lose 400 reenlistments this year because of this payment procedure. This figure increases to 600 in fiscal year 1983. To offset the reduced incentive the Navy would have to maintain award levels longer than required under lump sum procedures, or increase award levels to obtain the same number of reenlistments—(increasing award levels is not possible where award levels are already at the maximum allowable limit.) Either of these options would prove more costly in the long run than a lump sum program. When lump sum payments were authorized Navy allowed the individual the option of electing lump sum or anniversary payment. Only a total of 150 out of 34,900 personnel elected the anniversary option in fiscal year 1980 and fiscal year 1981.

Recent congressional initiatives in the compensation area have proven extremely beneficial in overriding the less than optimum retention atmosphere that developed in the late 1970's due to unfavorable compensation trends in that period. We now have a sound base from which to generate the retention which will provide the petty officers we need. Pay comparability must continue to be maintained for all our personnel and adequate levels of targeted pays provided if petty officer inventories are to grow to resolve current readiness deficiencies and meet the increased needs for an expanding fleet. These objectives are achievable with continued Congressional support.

ACCOMPANIED BILLETS OVERSEAS

Senator **Exon**. General Bronars, there are currently 20,700 Marines stationed in Okinawa and another 2,000 or so in Iwakuni, for a total of about 23,000 Marines in Japan. It is my understanding that this has traditionally been an unaccompanied tour. However, in his statement before the full committee on February 25, General Barrow alerted the committee of his plans to increase the number of Marine Corps accompanied tours to Japan. As you know this has traditionally been a matter of great interest to this committee.

Will you provide the number of billets that have been accompanied on this tour over the year fiscal year 1978/fiscal year 1981, the fiscal year 1982 plan and your plan for the fiscal year 1983 budget year?

What will be the additional costs of this change in policy in terms of increased family housing costs and other family support costs? What costs are associate with this change in policy in the fiscal year 1983 budget?

General **Bronars**. During fiscal years 1978 through 1981 we had approximately 922 accompanied billets on Okinawa and 346 at Marine Corps Air Station, Iwakuni. On Okinawa, we intend to increase the number of accompanied tours by less than 500 during the next 3 years. At Marine Corp Air Station, Iwakuni, we intend to increase the number of accompanied tours by about 45 in fiscal year 1982 and about 50 in fiscal year 1983. To accommodate this program in its entirety, 3,827 new family units would have to be built on Okinawa, and 576 at Iwakuni. Total costs and savings are currently being developed, however, these new family units account for the major cost necessary to support this new policy. Based on current and programed funding for the Japanese Facilities Improvement Program, it would appear that all or most of this cost may very well be funded by the Japanese Government. In fiscal year 1983 5.6 million dollars are budgeted for permanent change of station costs associated with the increase in accompanied tours on Okinawa.

Senator **Jepsen**. The hearing is adjourned.

[Whereupon, at 11:05 a.m., the subcommittee adjourned, subject to the call of the Chair.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1983

THURSDAY, MARCH 11, 1982

U.S. Senate,
Subcommittee on Manpower and Personnel,
Committee on Armed Services,
Washington, D.C.

ARMY MANPOWER REQUEST (ACTIVE RESERVE, AND CIVILIAN)

The subcommittee met, in open session pursuant to notice, at 10:03 a.m., in room 224, Russell Senate Office Building, Senator Roger W. Jepsen (chairman) presiding.

Present: Senators Jepsen, Cohen, and Exon.

Staff present: Anthony J. Principi, counsel; Paul C. Besozzi, minority counsel; Richard D. Finn and David S. Lyles, professional staff members; Ralph O. White, research assistant; and Jacquie S. O'Grady, staff assistant.

Also present: Jim Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Don Imgram, assistant to Senator Quayle; and Greg Pallas, assistant to Senator Exon.

OPENING STATEMENT BY SENATOR ROGER W. JEPSEN, CHAIRMAN

Senator Jepsen. The Manpower and Personnel Subcommittee meets today to resume its series of hearings on the Defense Department manpower request for fiscal year 1983. This morning we are pleased to receive testimony on Army manpower from Hon. Harry N. Walters, Assistant Secretary of the Army for Manpower and Reserve Affairs; Lt. Gen. Maxwell R. Thurman, Deputy Chief of Staff for Personnel; Maj. Gen. William R. Berkman, Chief of the Army Reserve; and Maj. Gen. Emmett H. Walker, Director of the Army National Guard.

Since the subcommittee's hearing 1 year ago on this same subject, the Army has made encouraging progress in meeting its manpower needs. Recruiting in fiscal year 1981 continued to improve over earlier years in terms of both quantity and quality. Just as important, however, has been the tremendous retention of skilled and experienced noncommissioned officers.

In February 1981, the Army Chief of Staff testified: "I believe it is absolutely essential that we fix what we have first." I am pleased that the Army has been making good on that promise. First, the Army joined this subcommittee in fighting for a targeted pay raise, which I appreciated, designed to develop and retain NCO's.

Second, the Army has undertaken a vigorous effort to insure the quality and the most effective use of those NCO's. Tightening its reenlistment and promotion policies should result in a well-distributed force of qualified noncommissioned officers.

Now that significant progress has been made, it will be a real challenge for the Congress and the Army to maintain that momentum. We simply cannot afford to be inconsistent in our consideration of manpower resources. The painful result could be the boom and bust cycles of the past. If the Congress and the American people do indeed prefer an All Volunteer Force, they must be willing to provide the resources necessary to support it.

Gentlemen, let me welcome you here today. I appreciate the written statements you have already submitted to the subcommittee. Of course, they will be entered into the record as if read. Mr. Secretary, you may proceed as you wish.

STATEMENT OF HON. HARRY N. WALTERS, ASSISTANT SECRETARY OF THE ARMY FOR MANPOWER AND RESERVE AFFAIRS

Mr. Walters. Thank you, Mr. Chairman. I have a brief statement I would like to read.

I would like to tell you how very pleased we are, General Thurman, General Berkman, and General Walker, to be before you for the purpose of discussing the Army's manpower request. This is my first appearance before this subcommittee in which I have had the opportunity to discuss the people of the Army and the Army's personnel requirements for fiscal year 1983.

The Army has a duty and an obligation to make the most efficient and economical use of the resources entrusted to it by the American people. We must use wisely and judiciously our people and our dollar resources.

I have held my position for about 8 months and have enjoyed the cooperation between the Army's leadership and Congress. I intend to continue that cooperative effort as I view our proceedings here as a means of executing our shared responsibility for the Nation's resources, its security and defense.

The Army depends upon people, trained and dedicated soldiers, Active and Reserve, supported by skilled civilians. I am committed to insuring that the many ingredients that go into attracting, retaining and supporting quality people are provided.

There is a momentum in Army recruiting and retention that started in fiscal year 1981 and is continuing into fiscal year 1982. The keys to this momentum have been the resources provided by the Congress, the allocation of these resources among the services by the Secretary of Defense, the management initiatives of the Army, and a growing national spirit which views military service as a meaningful, productive endeavor for our young people.

We are now in a position in the Active Force to manage properly both in numbers and standards our enlistments to provide to the first-term force quality soldiers with the potential to be motivated and trained. We are now also able to manage the flow of accessions into the first-term force and reenlistments into the career force to achieve the proper balance. This program for the first time in the Active

Force has allowed us to focus our career force management on improving the skill, grade and experience match to meet our requirements.

Paralleling the Active Force momentum, the Army Reserve and the Army National Guard are emphasizing achievement of strength requirements for units and moving toward skill, grade, and specific unit requirements. We are encouraged by the continuing upward trend experienced and projected in Selected Reserve unit strength. In large measure, this strength trend is a consequence of congressional support for Reserve component initiatives and programs and should result in further improvements in attainment of wartime strength levels in future years.

We must now turn our attention to continuing the steady improvement in the strength and skill match of the individual Ready Reserve and the inactive National Guard to insure that under mobilization conditions the trained assets are available to meet requirements until such time as the training base can provide the replacement flow.

The Army faces a major challenge in the quality of life aspects of our soldiers. We are focusing our management initiatives on insuring that the working and living conditions meet soldier needs. Our quality of life program addresses the Army's obligation to provide adequate housing, health care, education, facilities maintenance, safe and healthful working conditions, and essential community morale, welfare, recreational activities that in return will further soldiers' readiness and commitment to service.

On the civilian side, we are working to insure that civilians are assigned only to those jobs which can be done by civilians in both war and peace, and that there are sufficient civilians to carry out their important functions so our military personnel can perform their military tasks. Our civilian manpower management focus is on increased productivity, better utilization, improved training and contracting out when it is cost and mission effective.

We are very pleased with the affiliation and Capstone programs employed by the Active Army with Reserve component units. The roundout, augmentation, deployment training, and wartime planning aspects of these programs have received high praise from both Active and Reserve leadership. The training has a positive impact on Reserve component as well as Active units. The mutual respect developed between these units has become stronger with each passing year.

The Army must be physically and intellectually ready for the challenges of the next decade. The educational incentives, the recruiting and retention of high scoring high quality people and our inservice education programs are all geared to expand the intellectual capacity of our soldiers, Active and Reserve.

Although physical fitness has always been an integral part of both individual and unit training, we have begun to concentrate on those items which lead to better fitness. We are embarking on a systems approach to fitness, to look at all aspects of soldier lifestyle affecting fitness.

The budget for manpower and training which we have submitted for fiscal year 1983 is designed to continue the momentum we have started and further improve skill match, training, and quality of life. The fiscal year 1983 goals are more demanding. Increased accessions are required. More stringent recruiting and reenlistment objectives are required as well.

With your support, the readiness and combat effectiveness of our Army will continue to improve. Considering those things that Congress can do, I can only express the Army's deep appreciation for the support you have provided.

Mr. Chairman, I have a longer statement that I would like to have inserted into the record. And this completes my statement.

Senator **Jepsen**. It will be entered into the record as read.

[The prepared statement of Mr. Walters follows:]

PREPARED STATEMENT BY HARRY N. WALTERS, ASSISTANT SECRETARY OF THE ARMY (MANPOWER AND RESERVE AFFAIRS)

SECTION I

INTRODUCTION

The Army of the United States is an important institution which assists the Congress and the President to carry out the policy of this Nation. The Army is fully aware that it shares with the Congress the responsibility for our Nation's security. If the partnership between the Army and the Congress breaks down, our country will be the loser. We intend, therefore, to be responsive, open, and informative in all of our contacts. The Army has a duty and an obligation to make the most efficient and economical use of the resources entrusted to it by the American people.

There is a momentum in Army recruiting and retention that started in FY 1981 and is continuing into FY 1982. The keys to this momentum have been the resources provided by Congress, the allocation of these resources among the Services by the Defense Department, the management initiatives of the Army, and a growing national spirit which views military service as a meaningful and valuable, productive endeavor for our young people.

With this momentum, we are now in a position in the Active Force to control, both in numbers and standards, our enlistments to provide to our first term force the quality soldiers who have the potential to be motivated and trained and to reenlist selectively for our career force those who have demonstrated leadership, motivation, and technical ability which contribute to a more ready, combat-effective force.

With this momentum, the Active Army is controlling the flow of accessions into the first term force and reenlistments into the career force to achieve the proper balance. This means that we must provide sufficient new accessions each year to insure that at the first reenlistment point, competent soldiers are available who have demonstrated the leadership and technical potential to become the basis for the future NCO Corps.

With this momentum, for the first time in the Active Force, we are able to focus our career force management on improving the skill, grade, and experience match to meet our requirements. Reenlistment standards have been raised to retain only individuals with demonstrated leadership abilities, technical proficiency, and motivation to meet the demands of the 1980's.

Paralleling the Active Force momentum, the Army Reserve and the Army National Guard management is first, emphasizing achievement of strength requirements for units and second, moving toward skill, grade, and specific unit requirements.

With this strength momentum, we must now turn our attention to improving the strength and skill match of the Individual Ready Reserve to insure that under mobilization conditions, trained assets are available to meet requirements until such time as the training base can provide the replacement flow. We will do this through management initiatives and incentives.

With this momentum, we are focusing our management effort to provide the training base the resources to instill in our soldiers the skills required in their initial unit assignment, to retrain career soldiers to meet skill requirements, to develop Noncommissioned Officer technical and leadership skills, and to increase the standby capacity of the training base to meet mobilization training requirements.

With this momentum, the Army faces a major challenge and is focusing its management initiatives on insuring that the working and living experiences meet soldier needs.

The 1983 Budget for manpower and training, which we have submitted for FY 1983, is designed to continue this momentum and to accelerate the move toward improved skill match, improved training, and improved quality of life. With your continued support, the readiness and combat effectiveness of our Army will continue to improve.

On the civilian side, the challenge is our ability to get the job done within the strength authorized. Civilians fill key support jobs and provide much needed stability and continuity in time of emergency.

Our civilian manpower management focus is on increased productivity, improved training, improved utilization, and contracting out when it is cost and mission effective.

For FY 1983, we are requesting the strength authorizations for the Total Army as shown below:

	End Strength	Average Strength
Active Army	783,800	---
Army National Guard	---	407,400
(Full-Time Active Duty) [1]	(14,419)	---
Army Reserve	---	258,700
(Full-Time Active Duty) [1]	(8,251)	---
Civilian (Direct and Indirect Hire)	386,444	---

[1] Within the average strength requested for the two components.

The three elements of our Total Army--active and reserve military and civilians--are critical to the successful support and operations of each other. Each are co-equal partners in providing to the Congress, the President, and the Nation, a Total Army for which we can be proud.

SECTION II

MANNING

It cannot be repeated often enough that the Army is not merely made up of people, but it is people. There is no higher priority, no more treasured resource, no more important category of Army management than that of our people--military and civilian.

Our goal is to achieve the required quantity of quality people--Active, Army National Guard, Army Reserve and civilian--for the force and to distribute these personnel to obtain maximum combat readiness and to enhance mobilization capability.

Active Army Enlistment Program

Recruiting and retention in the volunteer environment during FY 1981 permitted the Army to achieve its budgeted strength goals and build a momentum for FY 1982 to permit greater selectivity in accessions and reenlistments to meet the skill needs of the Army with quality soldiers who have the greatest probability of performing effectively. The momentum in accessions which will reduce motivation and discipline losses and improve training potential is shown in the following chart:

Active Army Accessions (000)
(Percent of NPS Accessions)

	FY 80 (Actual)	FY 81 (Actual)	FY 82 (Budget)	FY 83 (Request)
HSDG	86 (54%)	95 (80%)	101 (84%)	103 (76%)
Mental Category I-IIIA	41 (26%)	47 (40%)	60 (50%)	68 (50%)
Mental Category IV	82 (52%)	36 (31%)	29 (24%)	24 (18%)
NPS Accessions	158	118	121	136
Prior Service Accessions	15	20	10	14
Total	173	138	131	150

There are a number of reasons for FY 1981's strong performance. These include the Congressional action to increase military pay and provision of the required recruiting resources; the management initiatives to provide a variety of training and assignment enlistment options and bonuses; the test of an enhanced educational incentive; and the growing support and appreciation of the American public for our young men and women in uniform.

With the resources provided by the Congress and DoD targeting of the enlistment bonus and educational incentives (Ultra-VEAP) to meet critical Army skill and quality requirements, FY 1982 contract writing is on target to achieve the programmed FY 1982 accession and quality objectives.

The FY 1983 goals are more demanding--increased accessions required, more stringent quality objectives at a time when the pool of eligibles is shrinking, and when we expect we will have improved national economic conditions.

The Army recruiting budget and management controls for FY 1983 are basic to maintaining the momentum of FY 1981 and FY 1982 and achieving 50% of our accessions in Mental Category I-IIIA to insure an adequate leadership and technical potential flow to the career force. Key to this flow is an educational incentive--currently Ultra-VEAP--which is designed to enable the Army to effectively recruit in the college bound youth market.

The recruiting resources appropriated for FY 1982 and requested for FY 1983 to maintain the active Army momentum are shown in the following table. The FY 1983 recruiting budget is a level program from FY 1982 except in enlistment bonuses and real estate leases. The increased funds for enlistment bonuses do not represent an increase in average payment but are needed to pay an increased number of payments to attract an additional 12,000 combat arms enlistments above the FY 1982 level.

Active Army

Recruiting Resources ($ Millions)

	FY 82 (Budget)	FY 83 (Request)
MPA		
Enlistment Bonus	$101.9	$140.9
Military Pay	168.7	174.2
OMA		
Civilian Pay	23.6	24.6
Advertising	61.2	62.7
Recruiter Aide Spt	21.2	22.4
Recruiter Spt	86.9	89.5
HQ Spt (ADP)	17.3	17.5
Communications	16.7	17.1
Training	4.2	4.4
Facilities	25.1	29.4
TOTAL DOLLARS	$526.8	$582.7

Reserve Component Enlistment Program

One of the bright spots in FY 1981 has been the increase in the strength of the Selected Reserve. This is shown in the table below.

Selected Reserve Unit Strength

	FY 80 (Actual)	FY 81 (Actual)	FY 82 (Budget)	FY 83 (Request)
Army National Guard	367,000	389,000	398,000	417,000
Army Reserve 1/	207,000	225,000	252,000	269,000
Total	574,000	614,000 +40,000	650,000 +36,000	686,000 +36,000

1/ Includes 8,600 Individual Mobilization Augmentees (IMA) in FY 1982 and 1983.

We continue to be encouraged by this upward trend which, in large measure, is a consequence of Congressional support of Reserve Component incentives and recruiting programs. Additional enhancement of these initiatives and programs should result in further strength improvements in future years.

The table below shows our FY 1981 recruiting results and the recruiting objectives for FY 1982 and 1983 for the Army National Guard and the Army Reserve as shown in the FY 1983 Budget.

Army National Guard Accessions

	FY 1981 (Actual)	FY 1982 (Budget)	FY 1983 (Request)
NPS Males	47,021	49,500	54,500
NPS Females	5,426	5,500	5,500
NPS Total	52,447	55,000	60,000
Prior Service	43,989	41,000	45,000
TOTAL	96,436	96,000	105,000
HSG NPS	33,403	35,800	39,000
MC IV (%)	13.2	25% ceiling 1/	20% ceiling 1/

US Army Reserve Accessions

	FY 1981	FY 1982	FY 1983
NPS Males	22,103	24,800	25,000
NPS Females	9,776	9,200	9,300
NPS Total	31,879	34,000	34,300
Prior Service	34,760	30,100	30,400
TOTAL	66,639	64,100	64,700
HSG NPS	19,580	22,100	25,400
MC IV (%)	29.9	25% ceiling 1/	20% ceiling 1/

1/ Applied separately for males and females.

The prior service market will continue as a major source of accessions in the Reserve Components.

The recruiting resources appropriated for FY 1982 and requested for FY 1983 are shown below.

Reserve Component

Recruiting Resources ($ Million)

	ARNG		USAR	
	FY 82 (Budget)	FY 83 (Request)	FY 82 (Budget)	FY 83 (Request)
Enlistment Incentives	$27.3	$ 34.6	$ 8.1	$12.0
Military Pay	44.3	49.2	34.2	38.5
Recruiter Aide Support	2.6	2.6	1.2	1.6

Training	2.0	2.0	0.9	1.0
Civilian Pay	2.1	2.3	7.8	6.4
Advertising	5.7	6.4	14.5	15.9
Recruiter Support	11.0	14.9	16.2	16.5
HQ Support (ADP)	0.2	0.4	-	-
Communications	2.0	2.3	-	-
Total	$97.2	$114.7	$82.9	$91.9

Requirements to increase strength and quality have placed a heavy production demand on the recruiter force. We are requesting for FY 1983 an Army National Guard recruiting force of 2,367 military and 79 civilians, and for the Army Reserve 1,553 military and 252 civilians, about the same level as FY 1982. The recruiting force is an extremely important element of our resource requirement and your support is needed to attain the paid drill strengths supported by the FY 1983 Budget.

The Army has offered enlistment incentives for the Selected Reserve since December 1978. The educational assistance part of the enlistment incentive program was accepted by only 222 recipients in the ARNG and 274 in the USAR in FY 1980. On 1 October 1981, a variable bonus was implemented. For enlistment in a designated unit, either a $1,500 cash bonus or $4,000 educational assistance is available. For selected skills, either a $2,000 cash bonus or $4,000 educational assistance benefit is available. A one-time only conversion either way between the cash bonus and educational assistance is authorized. Today nearly 70% of the Army's Reserve Component structure can now offer these incentives which has resulted in 20,000 bonus enlistments in the ARNG and 5,452 in the USAR. The educational assistance incentive was doubled from a maximum benefit of $2,000 to $4,000 resulting in 2,963 takers in the ARNG and 3,490 in the USAR, a 1,235% and 1,174% increase respectively.

We have provided a variety of enlistment options for the Reserve Components which permit an individual the opportunity to serve a portion of his or her obligation in a Selected Reserve unit and the remainder in the Individual Ready Reserve (IRR) or Inactive National Guard (ING).

For those electing to serve six years in Reserve units, the split-training option is offered which provides students and seasonal workers the opportunity to complete their Initial Active Duty for Training (IADT) by performing Basic Training (BT) and Advanced Individual Training (AIT) at separate times, primarily during off-season periods of their civilian schooling or occupation. This option has opened the doors to potential recruits who otherwise would not enlist because of educational or occupational conflicts. During FY 1981, about 15,000 Reserve Component members enlisted under this option.

Active Army Retention Program

A real success story of the Volunteer Army is the growth of the career force--from 255,000 in FY 1974 to 360,000 by end 1983. The Army now has the first term force and the career force about in the right balance. Major management focus starting in FY 1982 and continuing into FY 1983 will be to insure that the non prior service accession flow and the reenlistment flow complement each other to meet Army requirements by skill, grade, and experience level.

In our career force, we are overstrength in some skills and understrength in the combat arms, intelligence, and a number of the high technology skills. We will use our reenlistment bonus resources, our reenlistment controls, promotion policies, retraining initiatives and prior service accession controls to move toward Army requirements by skill, grade, and experience levels. It is equally important to control the growth of the career force so that within a fixed end strength, the accession flow into and through the first term force will support the career force qualitative and quantitative requirement at the first reenlistment point.

The following table shows our performance for FY 1980 and 1981, and the goals for FY 1982 and 1983.

Active Army Retention (000)

	FY 80 (Actual)	FY 81 (Actual)	FY 82 (Budget)	FY 83 (Request)
Initial Term Reenlistments*	25	34	35	29
% of Eligible	51	54	56	56
Mid-Term Reenlistments**	N/A	25	30	35
% of Eligible	N/A	73	75	75
Career Reenlistments	57	19	20	23
% of Eligible	69	92	92	92
Total Reenlistments	82	78	86	87
% of Eligible	62	67	68	68

* Up to three years service.
** 2d reenlistment to 10 years of service.

Within the FY 1983 360,000 career force, about 274,000 will be NCO's (grade E-5 through E-9). Our management focus in FY 1983 will be to continue the FY 1982 momentum to bring the NCO Corps in line with Army requirements by skill and grade. This will require a major retraining effort for the qualified NCO's being moved from overage to shortage skills and will place an additional manpower and dollar resource requirement on the training base to prepare these NCO's to move into and be effective in new skills.

Major reenlistment initiatives in this budget include $121.3 million for selective reenlistment bonuses (SRB's), and $16.9 million for upgrading the RETAIN system--the Army's Automated Reenlistment and Assignment Reservation System.

Reserve Component Retention Program

The best way to enhance the strength of the Reserve Components is to keep trained personnel beyond the first enlistment. Consequently, reenlistment goals are set to enhance strength maintenance consistent with career progression objectives and force content goals. The table below shows performance for FY 1981 and the goals for FY 1982 and 1983.

Reserve Component Retention (000)

	FY 1981 (Actual)		FY 1982 (Budget)		FY 1983 (Request)	
	ARNG	USAR	ARNG	USAR	ARNG	USAR
First Term Reenlistments	10.0	5.6	13.9	9.7	14.8	7.4
% of Eligibles	53	56	53	50	53	50
Career Reenlistments	63.2	28.9	61.1	21.3	67.8	34.4
% of Eligibles	70	82	66	80	62	80

A qualified first-term soldier in a high priority unit or with a selected skill may reenlist for three or six years and receive the following bonus payments:

	3 Years	6 Years
Initial Payment upon Reenlistment	$450	$ 900
Subsequent Payment Annually	150	150
Total Payment	$900	$1,800

The Reserve Components will emphasize the reenlistment bonus as their major reenlistment initiative for FY 1982 and 1983. The bonus focuses on eligible members of selected units and on eligible members with selected skills.

State Incentives

There are several incentives that are offered by a number of states for the National Guard which influence the recruiting and retention success of those states. Strength varies by region and to an extent is reflective of state support. Educational benefits are offered by 28 states with most generous and appropriate benefits given by Georgia, Massachusetts, Mississippi, Ohio, and West Virginia. Income tax advantages are another benefit offered by some states with the most generous being given by Alaska, Arkansas, and Mississippi. I raise this issue to point out that the states are concerned, but the primary responsibility lies with the federal government and we need Congress' continuing support to help assure we keep a positive increase in strength gains.

Total Army Officer Accession Program

Managing the officer acquisition program is complex. We must define requirements for annual officer accession flow to five to eight years ahead. The program identifies the number, quality and academic disciplines required each year to insure that the key commissioning programs attract and prepare young men and women to meet the leadership for the Total Army--Active, Army National Guard, Army Reserve.

In order to achieve the number of officer accessions required for the Total Force, the Army must commission 10,500-11,000 officers annually from the ROTC program. Almost half are required for the active force and almost half for the Army Reserve and National Guard. About 800 enter the special branches such as Nurse Corps, Judge Advocate General, etc. In FY 1981, 6,642 officers were commissioned, and it is projected that in FY 1982 and FY 1983, 9,200 and 7,800, respectively, will be commissioned. The commissioning of 9,200 ROTC cadets in FY 1982 is high because of a policy decision to commission all cadets on completion of MS IV whether or not they have completed college. These officers will be assigned to the Reserve Components pending graduation. Our current ROTC production ramp will allow us to achieve the required level of officer production by FY 1986.

The key to increased officer production is a continued expansion of the ROTC program in terms of incentives and population reached. The 96th Congress provided statutory assistance by increasing the number of Army ROTC scholarships from 6,500 to 12,000 which will in the steady state provide about 4,000 officer accessions annually. The Army funded 1,035 of the increase in FY 1981 and 965 in FY 1982. The FY 1983 budget requests funding for the remaining 3,500 scholarships. These additional scholarships are required if we are to attract individuals capable of meeting our Total Army leadership and hard skill requirements. The Army will dedicate a number of the additional scholarships to meet Reserve Component requirements and to individuals who plan to study engineering and the physical sciences in order to meet our high technology requirements.

In FY 1979, the Army began an expansion program for ROTC at 97 new institutions thus expanding the potential market by 350,000 students. This expansion has allowed the Army to have access to a greater cross-section of students across the entire United States and to highly technical schools heretofore inaccessible.

ROTC advertising will be focused on making prospects and influencers aware of the opportunities available through the ROTC program. Advertising will emphasize the Total Army officer requirement for individuals with leadership and academic potential and place special emphasis on the difficult to attract science and engineering market skills.

Your continued support of the key resource items--12,000 ROTC scholarships, the initiatives to expand the ROTC base, and the expanded enrollment expected in FY 1983 are essential to provide the future leadership for your Total Army--Active, Army National Guard, and the Army Reserve.

In the area of professional officers, the status of medical doctors continues to be an area of management focus. The end strength of active duty military physicians increased over the past year by 284 and should continue to rise due to accessions from the Armed Forces Health Professions Scholarship Program. We are now short 552 of the peacetime objective of 5,456. It is anticipated that the active duty physician level will reach the 5,456 objective by FY 1987. In addition to the current overall shortage of physicians, individual medical specialty shortages also exist. These shortages are being effectively managed through use of the Army's Graduate Medical Education (GME) programs.

In the Army Reserve and National Guard, we are short 3,580 of the 6,644 doctors required. We have 1,556 in the IRR and Standby Reserve which could be used to offset these shortages. The Army has established a nationwide recruiting network of 8 active, 47 USAR and 32 ARNG officers. As a result of this effort and others, we project a reduction of the USAR and National

Guard Troop Program Unit shortfall from the current 65% to 33% by end FY 1987. These increases do not mean that the problem is resolved, but indicate positive progress.

Women in Active and Reserve Components

In the Army, women are authorized to serve in 92% of all officer, warrant officer and enlisted specialities. Women may be assigned to all units except battalion and smaller size units of Infantry, Armor, Cannon Field Artillery, Low Altitude Air Defense Artillery, Combat Engineers and certain Aviation units.

The Active Component of the Army has approximately 10% female personnel, while the Army National Guard and the United States Army Reserve troop units have approximately 5% and 16% female respectively. In February 1981, the Active Component of the Army announced a decision to pause at a level of 65,000 enlisted women pending a review of policies and programs for the utilization of women. Our criteria as in all personnel management reviews will be to improve combat readiness and enhance mobilization capability. Initial assessment of this review indicates that further analysis will be required through 1982. The table below shows the women strength projected for FY 1983.

Women End Strength

	Officer	Enlisted
Active Army	9,700	65,000
Army National Guard	2,000	20,000
Army Reserve	5,000	38,000
Total	16,700	123,000

We expect that we will have over 400 women cadets at the United States Military Academy (West Point) and about 17,000 women cadets in the Reserve Officer Training Corps (ROTC) during FY 1983.

Support of People

The Army's Quality of Life (QOL) Program has a direct impact on the Army's ability to man the force and on near-term readiness. This program addresses the Army's obligation to provide adequate housing, health care, education, pay, facilities maintenance, safe and healthful working conditions, and essential community morale-welfare-recreation activities that in return will foster soldiers' readiness and commitment to service. These Quality of Life programs are interrelated with the issues of recruitment, retention, morale and most importantly combat readiness.

Compensation initiatives enacted in FY 1982 substantially improved our soldiers' quality of life. The FY 1983 budget request for quality of life issues includes $1.2 billion for repair and maintenance of facilities, $238 million for troop housing and $32 million for community facilities such as physical fitness centers, libraries, and education centers. These facilities may help to deter alcohol and drug abuse. Funding of community morale-welfare-recreation services for FY 1983 has been held to FY 1982 levels.

The Army Community Service (ACS) Program was initiated as a community-oriented family service program designed to assist the Army commander in being more responsive to the needs of military personnel and their families. The ACS program currently operates 162 ACS centers and 281 Child Support Services' programs. The Army has budgeted $24.1 million for FY 1982, and $21.6M for FY 1983. The ACS Program is a comprehensive family service delivery system staffed by professional military personnel, social workers and early childhood specialists who are supported by more than 7,000 volunteers. Army policy standardized the major duties of the key staff personnel and the major programs at each Army installation throughout the world.

To assist in resolving the housing shortage overseas and reducing family separation time, the FY 1983 budget contains a request for 18,573 family housing lease authorizations and $77 million. These funds will cover the cost of about 12,650 leased units which should be occupied by the end of FY 1983. Authorizations of the remaining leases will permit the Army to enter into build-to-lease negotiations in FY 1983 and should provide necessary additional units for occupancy in FY 1984 and 1985.

Working conditions of soldiers in Europe are not adequate. More than 50% of many unit maintenance operations must be performed outdoors due to lack of facilities or inadequacy of current buildings to accommodate present equipment. The FY 1983 budget request contains $257 million to construct or modernize maintenance and production facilities which will assist in alleviating this situation.

The FY 1983 budget will provide many of the improvements needed and will exhibit the Army's concern for its community.

Alcohol and Drug Abuse

The Army considers alcohol and drug abuse a readiness issue and a command problem. Commanders are focusing on the readiness impact of abuse on both units and individuals. We act to eliminate drug pushers from the Army. We identify and attempt to rehabilitate abusers and if we cannot, we separate them. Our soldier rehabilitation efforts resulted in 76% of our soldiers in the alcohol and drug abuse program being treated and returned to duty in FY 1981.

The Army Alcohol and Drug Abuse Prevention and Control Program (ADAPCP) provides alcohol and other drug abuse identification, treatment, and rehabilitation for active duty military personnel, civilian employees, family members, and Army National Guard and Reserve personnel on active duty. We have 1,984 military and civilian personnel associated with the Army's program, who staff three residential treatment facilities, five USAREUR extended care facilities, and 179 counseling centers. The FY 1983 ADAPCP budget of $52 million represents a 2.2% increase over the FY 1982 budget.

The trend in marijuana use/possession founded offenses is up. During FY 1981, there was a 23% increase over FY 1980. Marijuana use/possession founded offenses have accounted for 85% of all drug founded offenses during FY 1981. The fact that more people are being arrested for these offenses indicates the results of increased resources provided for law enforcement activities, particularly in Europe. While the trend in marijuana use offenses is up, there has been a reduction in the use of hard drugs for an overall net reduction in drug usage. The caseload admissions trend is increasing steadily for alcohol abuse, from 39% in 1976 to 75% at the end of 1981.

The table below shows admissions and returned to duty data from the ADAPACP during the period FY 1979 through FY 1981.

Alcohol and Drug Data

	FY 79		FY 80		FY 81	
Type of Drug	Admission	Returned to Duty	Admission	Returned to Duty	Admission	Returned to Duty
Alcohol	13,165	10,428	16,778	13,149	18,862	14,624
Other Drugs	7,949	4,781	7,230	4,939	6,168	4,316
Total	21,114	15,209	24,008	18,088	25,030	18,940

A recently announced major Army policy change provides that soldiers who abuse drugs or alcohol have no more than 90 days to become rehabilitated and returned to duty or be discharged. Previously some abusers could remain in rehabilitation programs for up to a year. Those who failed at rehabilitation under the old policy would be separated with honorable discharges. Under the new policy, those who failed rehabilitation will receive either a general or honorable discharge. The general discharge under honorable conditions will be given to those who do not make a good faith effort to rehabilitate themselves. The recent Army success in recruiting and retaining more high quality soldiers has enabled the Army to force out earlier, abusers who fail at rehabilitation.

Other program initiatives include increased soldier awareness through education, a program to upgrade counselor skills, improved program assessment through expanded management information, and improved identification capabilities by use of portable testing devices. Support of the Congress to provide such wholesome alternatives to drug and alcohol as physical fitness centers, better living and working conditions, and improved morale and welfare activities is essential.

Civilian Manpower and Management

Civilians support and sustain the Active Army and the Reserve Component in a variety of occupations from the relatively low-skilled to the highly complex and sophisticated. Today civilians are employed in over 650 occupations. While these range from service oriented to research and development positions, we have seen an increase in the proportion of white collar positions and a decrease in both number and proportion of blue collar positions during the last 10 to 15 years. This shift is primarily attributed to the contracting out of blue collar type work, e.g., arms manufacturing, facilities maintenance, etc.; and the establishment of new white collar positions as a result of new technology, e.g.; computer systems.

A readiness problem the Army encountered in past years was the use of soldiers from tactical units to perform base operations and installation support functions in lieu of civilians because of a constrained civilian manpower authorization. The borrowing of military manpower impacted adversely on personnel and unit readiness and decreased soldier job satisfaction. In recognition of this impact the Congress authorized to the Army an increase of 6,500 civilians in FY 1981 and 10,300 in FY 1982, for a total of 16,800 to replace borrowed military manpower and improve near term readiness. By the end of 1981 about 6,000 civilians were hired and a total of 1,100 Noncommissioned Officers (NCO's) and 4,300 other soldiers were returned to their units. Training overlap is the major reason for the current difference in FY 1981. During FY 1982, we project that we will hire an additional 10,800 civilians. By the end of FY 1982, we will have hired a total of 16,800 civilians with the objective to achieve a ratio of one soldier returned to the unit for each civilian hired. The Army does not plan to request additional civilian spaces in this area.

For FY 1983 we are requesting an increase of 3,185 civilian authorizations over FY 1982 to continue prior year force improvement initiatives, provide increased support for Force Modernization, improvements in military construction support and initiate a modest civilian substitution program.

Equal Opportunity

Equal opportunity is concerned with human development and is a program that allows talent, ability, and initiative to flourish through fair and impartial treatment. Equal opportunity programs are designed to assist commanders and managers in creating an environment free of discrimination in any form, and one that is conducive to cohesion and mission accomplishment.

Military

The objective of the Army's military Equal Opportunity (EO) Program is to contribute to a climate that is supportive of mission accomplishment, readiness, and unit cohesion by insuring equitable treatment for all personnel.

The Department of the Army Affirmative Actions Plan provides a direct link between Department of the Army and major command efforts to achieve equal opportunity for all military personnel and their families. Recent assessment reports indicate that progress towards FY 1981 goals has been favorable concerning women and minority enrollment in officer commissioning programs, promotions, command selections, career schooling, and other career development areas.

Civilian

The objective of the civilian equal employment opportunity program is to insure a workforce reflective of the Nation's diversity in all occupations, grade levels and employment benefits.

For FY 1981, the Army had developed an Affirmative Action Program Plan for the purpose of evaluating the job categories available to the civilian workforce to determine the representation of minority group members and women. Where there was underrepresentation in the Army workforce, these groups were targeted for placement. Four job categories were targeted in FY 1981 and the Army succeeded in meeting or exceeding its objective for three of the four targeted job categories in the majority of the grade levels comprising entry, mid and senior groups.

Associated with our Affirmative Action Program Plan is the Federal Equal Opportunity Recruitment Program (FEORP). In support of FEORP, we have allocated the following resources for FY 1983.

- Eighty-nine work years for internal recruitment.

- One hundred thirteen work years for external recruitment.

- Twenty-five work years for interagency efforts.

- A budget of $6.25 million for data collection, program oversight, evaluation, and plan development.

Another program in which we have experienced some success is the Severely Handicapped Affirmative Requirement Program (SHARP). The purpose of this program is to increase the number of handicapped employees, including disabled veterans, with special emphasis on individuals with severe handicaps, for example, deaf, blind, missing extremeties, etc. Accessions for the 18-month period from 1 October 1979 to 31 March 1981 were 116,540; of these, 451 or .39% were severely handicapped individuals. There has been improvement when of 37,887 accessions between 1 April 1981 to 30 September 1981, 307 or .81% were severely handicapped individuals.

Sexual Harassment

An area of continuing concern is the evidence or perception of sexual harassment. The Secretary of the Army on May 29, 1981 issued firm guidance to all commanders and supervisors directing that command attention be given to countering sexual harassment. A training program which includes all military levels of the Army, male and female, has been initiated as part of the effort to counter sexual harassment. Concurrently the Army is producing standard, high quality training programs on sexual harassment prevention to present to civilian employees and their supervisors. Preventing sexual harassment is a primary Army objective.

SECTION III

TRAINING

The Army training and education system is a progressive system which builds on an individual's prior training and experience and prepares him or her to perform duties and skills required in peace and war. The effective training of our soldiers is obviously directly linked to readiness. We depend heavily on the training base to provide soldiers toughened, disciplined, and equipped with the skills necessary to contribute to their unit's mission performance immediately upon joining. The training of soldiers does not end there; it continues within the unit to weld soldiers into a cohesive team. The challenge for all commanders is to ensure that training is tough, challenging, and oriented toward performance of battlefield missions. The number one priority for commanders in both the Active and Reserve Components continues to be training.

Active Army Training

In FY 1982 the resources provided in the budget support an improved ability to effectively train the force. The FY 1983 budget will provide for continued improvement in individual and unit training.

In FY 1982 Initial Entry Training (IET) was lengthened by one week and through more intensive scheduling provides the individual soldier with 97 hours of additional training. Initial results have been positive.

With these positive gains, however, remains the problem of providing sufficient manpower and dollar resources to insure that, the trainers, equipment, facilities, and support personnel are available to handle the Active and Reserve Component individual training requirement to include the summer accession surge, characteristic of the Volunteer Army. Additional concerns are development of NCO training courses for selected career management fields; the retraining requirement for E-4/E-5/E-6 reclassified reenlistees to bring the skill match in the career force in balance with requirements; the development of the new equipment training packages for use in the training base and export to the Active and Reserve Component units. Other concerns are training ammunition and training device requirements necessary for effective and efficient training. The Army is addressing these needs. Also, we will provide a report to the Congress by March 31, 1982 on the steps being taken to fully man the training establishment to the required level in accordance with the new extended training proposals.

Programs to improve the training of NCO's and officers are also underway. During FY 1983 initiatives started earlier will be continued.

The enlisted Skill Qualification Test (SQT) is being developed into a more flexible tool for the NCO and unit commander with a substantially reduced administrative workload. There has been a significant improvement in the scores (61% passed in FY 1980, 89% passed in FY 1981). This can be attributed to increased command emphasis both in training and in the use of the test as a credible indicator of the ability of the soldier to perform. The SQT as a management tool will help the Army make decisions on the type of recruits likely to succeed in different skills and as an indicator of where training can be improved. The Army does not intend that the SQT replace the NCO or unit commander in making the ultimate judgment about personnel and training needs. We are taking into account recommendations made within the Army as well as those by the GAO and will brief changes to the SQT to Congress this spring.

Just as the SQT is used by small unit commanders to evaluate the level of training of individual soldiers, the Army Training and Evaluation Program (ARTEP) is used to evaluate how the units, mainly companies and battalions, work together as a team. It prescribes for the units their missions, collective tasks and standards of performance and enables senior commanders to determine the status of their unit's training.

The National Training Center (NTC) at Fort Irwin, California, has been established to provide a realistic battlefield environment to prepare our units to deploy, fight and win in the future. The Army in combination with the Air Force, Navy and Marine Corps, conducts live fire training under simulated nuclear, biological, chemical and electronic warfare conditions. The units undergo a realistic mobilization cycle which starts with deployment from home stations, drawing prepositioned equipment followed by a movement to battlefield positions. Training includes both live fire, movement and engagement of a hostile force in a fully electronically instrumented air/land battlefield. Following this training, units will receive information that will guide future training plans. During FY 1982, 16 Battalion Task Forces will rotate through the NTC increasing to 20 battalions in FY 1983 and 42 battalions in FY 1984.

Continuing the programs to increase the FY 1983 training base is important both in the availability of dollars and more importantly, manpower. In order to make the new training initiatives effective, it is essential that the resources which are required to provide the training are adequate.

Reserve Component Training

The foundation of discipline and professionalism for Reserve Component members is challenging and interesting training.

The FY 1983 budget begins improvements to accelerate and enhance the readiness of RC units in the D to D+60 force package by providing full-time training NCO's down to company level; increased funding for selected units for three weeks (21 days) Annual Training; additional JCS exercise participations; an additional 10-15 days of training for staffs to conduct CPX's with CAPSTONE associates; and an additional 15 days of counterpart training for key personnel. The budget also provides funding for environmental training (desert, cold weather, etc.); to upgrade or develop local training sites and ranges; to increase procurement of training devices and/or simulators that will assist in gaining maximum utility from constrained training time and resources; and to expand and improve the Active and Reserve Components partnership program.

The Army has adopted an NCO training program for the Reserve Component similar to the active Army program. The standardized program of instruction provides the flexibility to modify the course of instruction to support local unit readiness requirements. We also have several programs which continue to improve our overseas deployment capability. Primary among these is the Reserve Component Deployment Training. This program provides selected Reserve Component units the unique opportunity of participating in realistic contingency mission-oriented training in the environment to which they are projected for early deployment. Active and Reserve Component commanders continue to praise this program which has grown annually from the initial 26 units in FY 1976 to 193 Reserve Component units in FY 1981. For FY 1982, 233 Reserve Component units are scheduled for Deployment Training, and we are planning support for approximately 320 units during FY 1983. Units scheduled to deploy in support of overseas contingency plans receive orientation, mission familiarization, and actual training in the overseas environment.

This deployment training has had a positive impact on Reserve Component as well as active units. The mutual respect developed between these units has become stronger with each training year. The training opportunities for Reserve Component units, especially combat service support units in the deployed theater areas, have, in most cases, been unique. Units and personnel have experienced intense and demanding training, skill improvements, increased readiness, and increased realism in terms of assigned wartime missions. This program provides a highly visible sign for our allies and enhances their confidence in our capability and reliability to meet wartime commitments.

The Affiliation Program is another program funded in the FY 1983 Budget. This program is designed to improve the operational readiness and thereby the deployability of Reserve Component units. This is achieved by associating designated Reserve Component units with Active Component divisions or comparable units. The categories of affiliation are:

- Roundout in which Reserve Component units raise active units to their standard configuration.

- Augmentation in which Reserve Component units increase the combat power of active units which are organized in a standard configuration.

- Mobilization and Deployment Capability Improvement in which Reserve Component units require dedicated Active Component assistance to meet mobilization or deployment schedules and improve their readiness condition.

Enhancing the Affiliation Program is the Army's Capstone Program (CAPSTONE) which is a management program addressing the Army's structural association between the Active, Army National Guard, and Army Reserve force. CAPSTONE aligns and packages active and Reserve Component units to meet wartime requirements and the needs of the CONUS sustaining base to include mobilization stationing of the deploying and nondeploying units. It describes the specific mission and organization of every unit in the peacetime force and establishes planning and training relationships which focus on wartime missions. Many units are currently involved with planning for participation in exercises, and training with their wartime gaining commands both in CONUS and overseas.

Training and education of all Reserve Component personnel require continual attention. Funding requests for these programs need your continuing support if we are to field qualified, motivated, physically fit soldiers ready to meet this Nation's mobilization requirements.

Full-Time Support

We support the planned and steady increase of the placement of full-time military personnel from the active and Reserve Components into Army Reserve and National Guard units. The FY 1983 Budget reflects this steady increase. Personnel assigned on a full-time basis provide needed skills to improve training, administration, and logistics and assist in mobilization planning and preparation. For FY 1982 Congress authorized 11,439 personnel for the Army National Guard to serve on full-time active duty and 6,285 for the Army Reserve. For FY 1983, we are requesting authorization for 14,419 Army National Guard personnel and 8,251 Army Reserve personnel to serve on full-time active duty. For FY 1982 and 1983, we are continuing to program for 1,554 active military in full-time positions. Use of full-time personnel is having a positive effect on the improvement of readiness. The long term Army objective is to provide full-time personnel in Selected Reserve units to levels dictated by the readiness, mobilization, and deployment needs of the individual unit.

Training Loads

The projected loads in the training base are the basis for the funding requested in this budget and for which we request authorization.

	FY 1983 Training Loads
Active Army	78,311
Army Reserve	14,579
Army National Guard	18,052

Education

The Army has designed a series of educational programs to increase the skill levels of its civilian and military personnel and enhance the efficiency and force readiness of the Army as a whole. In addition, these programs meet the needs of Army personnel and increase retention of both the military and civilian personnel. Thus these educational programs which I will discuss in more detail relate to recruitment, retention, combat effectiveness and enhanced morale.

Education Incentives for Military

Commensurate with the Army's desire to attract highly motivated young men and women, the FY 1982 budget requests resources to support the Army Continuing Education System (ACES).

The FY 1983 increase in Basic Skills Education Program (BSEP) supports an increase of enrollments in Basic Skills Education Program (BSEP I and II), High School Completion and Advanced Skills Education Program (ASEP). ASEP, began in September 1980, is the commander's program designed to improve military duty performance and enhance career growth of noncommissioned officers. This program reinforces leadership, managerial, supervisory, and communication skills essential for development of effective soldiers in Military Occupational Skills (MOS) skill levels 3, 4, and 5. The High School Completion Program, funded at 100% provides non-high school graduate soldiers the opportunity to achieve a high school diploma through off-duty study. All are important components of the Army Continuing Education System.

Funds requested for tuition assistance for FY 1983 will bring this program back to the FY 1981 level of expenditures. In FY 1981, Congress approved 90% funding of tuition for enlisted personnel grade E-5 and above with less than 14 years of service. This program has been highly successful as evidenced by the increase of 8.8% enrollments in FY 1981.

The increase between FY 1982 and FY 1983 for Education Center Operations will allow for nonpersonal service price increases and for enrichment of Learning Centers.

Of the FY 1983 program increase over FY 1982, $17,872,000 is the increase for Veterans Educational Assistance Program (VEAP). This program growth is to finance the Veterans Education Assistance Program (VEAP) "Kicker" program that is an Army enlistment incentive, and the Veterans Education Assistance Program (VEAP) matching funds previously provided by the Veterans Administration. Responsibility for this contributory program was transferred to the Department of Defense in January 1982.

Civilian Training, Education and Development Program

The U.S. Army recognizes the important contribution made by its 386,000 civilian employees. Several programs exist which seek to improve the caliber of training and education of these Department of Army civilians.

The Civilian Training, Education and Development Program consists of centrally managed intern training, executive and management development, Long-Term Training, and the Facilities Engineer Apprenticeship Program. Program cost includes tuition, travel and per diem, and certain permanent change of station costs. In addition, many of these same programs are conducted at the local level by most major commands to offset manpower and funding shortfalls in the centrally managed programs. In addition to the training and education programs mentioned above, there are other programs conducted at various levels to provide for the development and productivity enhancement of clerical, administrative, supervisory and technical personnel.

Funding levels to support the civilian training and education program are shown below.

Department of Army Manged Program
($000)

FY 81 Actual	FY 82 Budget	FY 83 Request
$57,232	$78,010	$86,323

The Army is ever aware of the necessity to provide training to its civilian employees in order to assure that we possess a competent workforce to support the Army mission. To do this, we are requesting your support for the funding levels indicated above for FY 1983.

Physical Readiness

The Army must be physically and intellectually ready for the challenges of the next decade. The educational incentives, the recruiting of high scoring high school graduates, the education programs supported by the Army and the availability of off-duty education are all geared to expand the intellectual capacity of our soldiers, Active and Reserve.

Although physical fitness has always been an integral part of both individual and unit training, we have, in the last few years, begun to concentrate on those items which lead to better fitness. In October 1980, we instituted a new, simple to administer three-item physical fitness test--push-ups, sit-ups, two-mile run--with standards adjusted for the physiological differences between men and women. We also initiated a special program for personnel over age 40. Both programs are proving successful. The new physical fitness test makes it possible to test personnel who could not be tested in the past due to equipment requirements.

Closely allied to physical fitness is weight control. We are reviewing our current policy on weight control with the view of tightening up these policies. Also, we want to assure that records are maintained on the soldiers required to participate in a weight reduction program to assist the Army in managing the overall program.

We are embarking on a systems approach to fitness. We will look at all aspects of soldier life-style affecting fitness, for example, nutrition, smoking, sports, stress, drinking, and so forth.

During FY 1982, the Army plans to initiate additional improvements to enhance the physical readiness of soldiers. These include an upgrading of the Army's organizational structure for managing fitness, a review of Army physical fitness doctrine, increased research into performance standards related to the job, incentive programs, and the use of positive life-style education programs.

The efficient and economical use of our training and education programs are essential in increasing the productivity of our people. These programs will assist in providing a combat ready force with a credible mobilization capability.

SECTION IV

MOBILIZING

The Army has two general mobilization manpower objectives. First, we must have a sufficient number of trained personnel to fill active and reserve units to their wartime strength and to replace combat casualties suffered in the first few months of a war in Europe. So as to not underestimate our needs, we assume that we will have little opportunity to take premobilization actions to improve the situation. While there may be a period of tension or overt build up by our potential adversaries prior to an attack, the penalty for being unprepared for a surprise attack is so great that we have no choice in our planning but to assume the worst case. Second, we must have a prompt and rapid flow of draftees and volunteers into the mobilization training base to meet continuing replacement needs.

Under the all-volunteer policy, vigorous effort, a number of manpower initiatives and careful management of our resources will be necessary to meet Selected Reserve and Individual Ready Reserve strength targets.

Mobilization Manpower

Individual Ready Reserve

The Individual Ready Reserve (IRR) is a pool of personnel (mostly fully trained) 80% of whose officers are nonobligors and 90% of the enlisted strength obligated by statute. Such individuals are subject to call to active duty in a national emergency to fill Active and Reserve units to wartime required levels, to apply against the fill of unmanned units, and to replace casualty losses. The strength of the IRR fell from over one million in FY 1972 to 149,000 at the end of FY 1977. The strength at the end of FY 1981 stood at 212,925. It is projected to increase to about 242,000 by end FY 1983. The IRR does not have a structure or statutorily prescribed manning level; therefore, any shortfall has to be discussed in terms of the residual shortfall after all pretrained assets have been used.

The most recent projection of the pretrained military manpower aggregate shortfall during FY 1983 indicates that 120 days after full mobilization and fighting a NATO-only war, the Army would be short approximately 151,000 trained individuals. The IRR included in this projection numbered 242,000. There would be a requirement for an additional 216,000 IRR members if the shortfall were to be made up from the IRR alone. This calculation is based on a showrate of 90% for officers and bonus recipients, and 70% for all others.

Inactive National Guard

The Inactive National Guard (ING) is an element of the Ready Reserve. It includes officers and enlisted personnel, both obligors and nonobligors, and is administered by State Adjutants General. Members are attached to units and often are programed against specific unit positions. The ING offsets a portion of the mobilization manpower shortfall of the Army National Guard. Guard commanders are required to maintain annual contact with their ING members. FY 1981 ING end strength was 713 officers and 8,158 enlisted. Officer strength is expected to remain stable. Enlisted strength is expected to increase to approximately 17,000 by the end of FY 1987 as a result of increased emphasis on incentives and management initiatives.

Retiree Recall Program

The Army has developed a retiree recall program to help remedy the shortage of pretrained individual manpower. Those retirees recalled during mobilization will contribute to the efficient operation of continental United States installations and activities, and ultimately permit reassignment of significant numbers of younger persons for deployment or to tasks not appropriate for retired personnel. We consider the use of quality retired personnel to be an efficient and economic use of a valuable resource. As of November 1981, 89,655 of the eligible retiree population of 156,130 had been assigned against the 182,183 validated retiree requirements. Current Army goals call for approximately 100,000 retirees to be assigned against these validated requirements by FY 1983. However, the use of retirees is expected to exceed our goals based on ongoing analysis of available retiree data bases.

Pretrained Strength Initiatives

The Army has established a comprehensive program to increase Selected Reserve, IRR and Inactive National Guard strength, and to recall increased numbers of retirees upon mobilization. These programs should reduce the trained military shortfall over the program years, but will not eliminate the shortfall.

We are seeking Congressional support for legislation proposed by the Department of Defense on initiatives to increase IRR strength. First, it would grant authority to the Secretary of Defense to extend the military service obligation up to eight years. This is a long term solution to the pretrained individual manpower problem since the impact of such legislation would not be felt for six years. Most individuals enlist for three or four years on active duty or in Selected Reserve units and serve the remainder of their military service obligation in the IRR or ING. This proposed legislation would increase the time served in the IRR or ING.

The second initiative is the reinstitution of the Inactive National Guard/Individual Ready Reserve (ING/IRR) Reenlistment Bonus Program. Congress authorized this program in FY 1981 with a $600 bonus for a three-year reenlistment. The full program was in existence for only six months and reenlisted about 3,800 bonus takers. About 800 IRR members reenlisted during the first four months; but by changing the payment scheme and allowing extensions rather than reenlistments in the final two months, we reenlisted about 3,000 IRR members.

The Army, encouraged by this increased level of participation in the last months, supports efforts to revive the bonus at a higher monetary level not to exceed $900. This program is a very cost-effective method of improving the strength of our pretrained manpower pool in the all volunteer environment. For a relatively small bonus, we can attract a veteran soldier into the IRR or ING with the skills needed upon mobilization.

The third initiative is an IRR direct enlistment program which would allow an individual to join the IRR, undergo initial training, and then return to the IRR for the remainder of his service obligation. This concept was tested in 1979 without an enlistment bonus. The results were inconclusive. We feel an enlistment bonus is necessary to attract a significant number of quality individuals. The proposed legislation would authorize the Service Secretary to provide a bonus of up to $1,000 for direct enlistment into the IRR. Enlistment would only be available in the combat arms skills and other skills the Service Secretary deemed appropriate for this program. If enabling legislation is enacted, the Army plans to offer initially a $500 bonus for direct enlistment.

Lastly, the Army is also considering contractually obligating recipients of certain reenlistment bonuses to a minimum period of service in the IRR. It does not make economic sense for this country to train and pay large bonuses to our soldiers without requiring some obligation in the IRR once they leave the active service.

Mobilization Training Base

Because of the shortages of trained manpower for a major war, the Army plans to surge immediately the training base upon mobilization in order to provide additional trained replacements as early as possible. At the present time, the Army training base, constrained primarily by shortages of training equipment, could initiate training for 83,000 new soldiers during the first month following mobilization. During the same month, 10,000 additional new soldiers could be processed through Army reception stations, and be ready to begin training early the following month. Thus, the constrained capacity of the mobilized training base would be 93,000 new accessions during the first month following mobilization.

The objective or goal during the first two months is 133,000 and 150,000 respectively. There are sufficient trainer and training units to reach this objective. However, training equipment, ammunition, and billet limitations prevent realization of this larger input capacity. Funding initiatives in the FY 1983 Budget to improve training base capacity call for $25.7 million for purchase and stockpiling of minimum essential individual clothing and equipment, emergency construction design and the employment of mobilization training specialists to develop crucially needed mobilization Programs of Instruction (POI). These initiatives will help meet the requirements associated with absorbing new trainees but will not solve all of the problems. We continue to examine ways and means, such as equipment and ammunition redistribution, to determine the extent to which the potential capacity of the mobilization training base can be realized. We solicit the support of the Congress in this undertaking.

SECTION V

CONCLUSION

My job involves people and the management of people programs, the force structure to which people are assigned, and the force readiness of that structure to respond to contingencies as required.

The Army of today is a capable, disciplined, dedicated force, one worthy of strong and determined people. The Nation can have full confidence in today's Army.

Some historians have calculated that only about 270 years of the last 3,400 years have been without war. The ancient Romans recognized the recurring nature of war and realized that weakness was one of its causes. They put it succiently--"If you want peace, prepare for war." Our Army, by being ready, insures the security of the United States and protects and supports our national interests. I ask you to join me in supporting the programs necessary to provide our Nation with the Army it needs--professional, disciplined, and ready.

Senator **Jepsen**. General Thurman?

STATEMENT OF LT. GEN. MAXWELL R. THURMAN, DEPUTY CHIEF OF STAFF FOR PERSONNEL, U.S. ARMY

General **Thurman**. Thank you. Just a couple of add ons to Secretary Walters.

PAY RAISE

First of all, on behalf of all of the men and women and civilians in the Active, Reserve, and National Guard, we want to tell you we appreciate the assistance you have given us in the last 2 years in terms of the significant pay raise you provided, the educational incentives, which are working as you intended, and the other supportive measures which have improved travel and transportation entitlements and the variable housing allowance. They are improving our quality of accessions and the competency of our reenlisting force.

Let me add just a couple of points to Secretary Walters on some specific budget thrusts in this budget. The first is, we have stabilized the Active Army in strength at 784,000 people for 1982 and 1983. There is a fine point about that, and that is that the Defense Authorization Act of 1982 provided for an end strength of 780,300. As we went down through the process of developing that act, as you know, we had to look at a potential end-strength cut that surrounded the 7th Division and a brigade in Europe.

So as we furnished that information, as we went through our program-building process and budget-building process, the number that finally came out of the Congress was 780,300. We found the resources within the Army to continue to keep it at 784,000. So we would have to—that is, in the fiscal year 1982 column of the 1983 budget—your acknowledgment either pro or con. So we are hoping you will go along with that change to our end strength.

SELECTED RESERVE FORCES

The second point I would raise is that we are concentrating on increasing the size of the Selected Reserve forces, and from the end of 1982, when we are projecting 398,000 in the Guard, although my colleague General Walker may indicate to you later that we are already at about that level, as a matter of fact we may be over 400,000. At the instant, it is due to rise to 417,000 in the fiscal year 1983 budget. With respect to the U.S. Army Reserve, our current number is about 236,000 and that will go to 269,000 in 1983.

The third point I would raise, sir, is we are also increasing our full-time support to the Guard and Reserve in the full-time manning program to about 3,600. Again, they are National Guardsmen and U.S. Army Reserve personnel.

The fourth point I would raise to you is, we have modestly increased our civilian work force by about 3,000 people to support real property maintenance and construction in Europe, to get our troops and families living and working in decent conditions, and to support the early needs of POMCUS Division sets 5 and 6.

I might add, the supplemental now before the Congress has about $84 million in family housing—this is the fiscal year 1982 supplemental—$80 million of which is targeted for Europe, $4 million for Conus; and $275 million for real property maintenance, about $35 million of which is for Europe.

The fifth point I would stress to you in the budget thrust is to improve our ROTC program for the Reserve forces and the Active component. We are asking for an additional 3,500 scholarships, and by the end of 1983 we will be operating ROTC on 1,314 campuses of American colleges and universities.

And then finally, to continue our emphasis on recruiting to achieve the 65-percent male high school graduate constraint that you have placed upon us, and the constraint of not more than 20 percent of those scoring in category IV test population, and to increase our accession goals by about 20,000, we need your continued support for bonuses; the enlistment bonus and the selective reenlistment bonus.

Incidentally, we are tracking the selective reenlistment bonus. The Congress in its wisdom told us to pay it 50 percent up front and schedule payment of the balance out later. We are evaluating that to see if it is having any impact. We do not know. We have only been in it the first months, but, we are making a current review of that.

EDUCATIONAL INCENTIVE

Finally, I would say a word about the educational incentives. The Army is using the Veterans Education Assistance Program (VEAP) with what we call Ultra VEAP. Ultra VEAP is a kicker of $8,000 for a 2-year term of service or $12,000 for a 3- or 4-year term of service.

This year Ultra VEAP is attracting 52 percent more upper middle category youngsters in the upper half than it did last year. So the educational incentive is working.

Similarly, in the Guard and the Reserve, when we raised the educational incentive from $2,000 for enlistment and reenlistment to $4,000 the number of enlistments jumped from 500 to over 6,000.

Senator COHEN. General, could I ask you a question about that?

General THURMAN. Yes.

Senator COHEN. Historically, the record on VEAP has been a disaster. It has not worked in the past. I read the testimony of Secretary Korb, who is appearing before a joint committee this morning on the House side with respect to his educational proposal, and I am frankly disappointed.

A year ago everyone who came before this committee in the armed services, including the Secretary of Defense, said we favor a revival of the GI bill. Senator Armstrong and I have authored legislation to do exactly that. And every military person who came before the committee said, next to pay, the GI bill is probably the No. 1 incentive.

And yet this year we suddenly have a retrenchment from the GI bill. I do not understand why.

General THURMAN. First of all, I am trying to assert, sir, that if you ask me my opinion, I am for a GI bill. I am trying to suggest to you that the educational incentive is in the Ultra VEAP, which is not like the basic VEAP—the basic VEAP is across all services and has no kickers. The Army service is the only one which has a kicker.

I am trying to suggest that the total aggrandizement under the Ultra VEAP is an educational incentive that is currently working. I would favor a GI bill if it were me. However, Secretary Korb is conducting testimony elsewhere and I will leave that to him or I will discuss it with you more in detail.

What I am trying to suggest is the educational incentives do work as you postulated. If I had my way I would have a GI bill.

I would like to say, the highlight of the budget is a stabilized Active Army end strength and increased resources going to the Reserves and National Guard in strength, and finally, a modest growth in civilians. I would be happy to answer any questions.

[The prepared statement of General Thurman follows:]

PREPARED STATEMENT BY LT. GEN. MAXWELL R. THURMAN, DEPUTY CHIEF OF STAFF FOR PERSONNEL, U.S. ARMY

Mr. Chairman and members of the Subcommittee:

I am very pleased to have this opportunity to discuss with you some of the more important Army personnel issues and to answer any questions you have about the Army's personnel posture.

The Secretary of the Army and the Chief of Staff of the Army have previously testified before the Senate and the House of Representatives about the goals and features of the fiscal year 1983 budget. They explained that it projects an active strength of approximately 784,000 soldiers; increases the personnel strength of the Reserve Components, and increases the strength of the Army's civilian workforce, while increasing investment in modernized equipment, continuing procurement of war reserve stocks, and improving force structure.

My presentation will focus on how the manpower systems of the Army will contribute to those Total Army goals.

I wish to thank the Congress for supporting the Army by providing the direction and resources to achieve a competency-based force. The substance of this support is easily measured by Congressional approval of significant pay increases; educational initiatives, such as the Veterans' Education Assistance Program(VEAP) for the Active Component and the Selected Reserve Incentive Program(SRIP) for Reserve units, and other supportive measures, such as improved travel and transportation entitlements and the variable housing allowance.

The Army seeks your counsel and solicits your continued assistance as we look toward the future.

A Competency-Based Army

The American people demand more from their Armed Forces today than they have at any time in recent history. The Army is working to match these expectations with a force which is competently manned, competently led, and competently managed.

The quality of this force cannot be expressed solely in terms of end strength. Therefore, the Army is focusing on meeting its manpower objectives in terms of competence as well as numbers. This will help create and sustain a responsive Army with the combat power and inner strength to meet the foreign policy obligations which call for the use--or implied use--of military force.

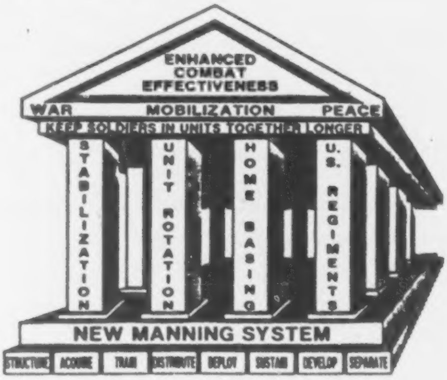
Those who wear the Army uniform draw pride from the fact that Army combat power deters aggression and safeguards our independence, while contributing to the well-being and survival of other friendly nations.

There are many ways to judge the merit of an Army. None is more compelling than victory on the battlefield. But an Army sufficiently strong, sufficiently competent to deter war serves an even higher purpose. It is this kind of Army we are seeking.

Cohesion and Stability

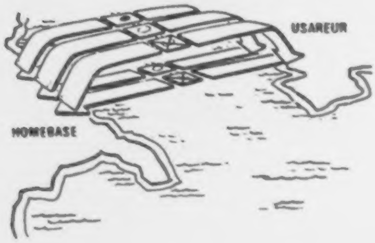
The Army, individually and collectively, draws strength from the heritage made indelible at Yorktown more than 200 years ago when the Regulars and militia from throughout the colonies marched to victory together--one in mind, one in spirit.

As part of the bicentennial celebration at Yorktown last October, recruits representing every state and all territories of the Nation were sworn into the Army under the new COHORT concept. COHORT stands for COHesion, Operational Readiness and Training. This is part of a program under evaluation now to train soldiers as a company, keeping them together as a company, and assigning them overseas as a company, rather than as individual replacements. The result is better teamwork--the hallmark of all successful combat units. Eighteen of the 20 companies in the test program have been organized and trained already. Eleven COHORT companies will deploy overseas between October 1982 and February 1984. These companies will be subsequently incorporated into a New Manning System that is presently under development. This system is based on three major precepts--stabilization, unit rotation, and homebasing--all operating within the framework of an American regimental system.

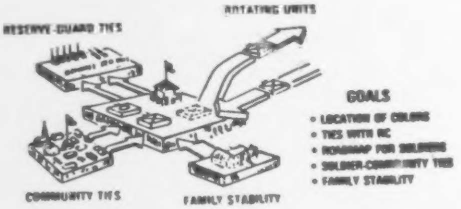


The goal of the New Manning System is to eliminate the most stubborn obstacle to Army readiness--turbulence in small units. This turbulence is corrosive because it prevents the Army from achieving higher training standards possible in a more stable atmosphere--an atmosphere more conducive to team building and competency. We must keep soldiers with their leaders in units longer. Turbulence also reduces the attractivenss of military service, discouraging to soldiers and leaders alike. These problems can be solved if soldiers are offered the opportunity to strengthen the ties of confidence and loyalty that bond them to their units and one another.

The new system will use unit movement, as well as individual replacements, meet overseas requirements. Units, not individuals, will rotate between the the United States and overseas locations. The new system also proposes to restructure the Army along historically-based regimental lines. The regimental system will create an environment that fosters cohesion and enhances unit loyalty by narrowing the circle of professional relationships and providing for closer association between leaders and peers. Additional initiatives, also part of the New Manning System, are underway to reduce attrition and to improve cohesion and stability, looking forward to the time when perhaps most Army battalions will have a homebase to which they will return from periodic overseas assignment. This should enhance family stability and community ties, while adding to the quality of life of soldiers and their family members.


ROTATION
ARMOR/MECH/FA

The Army Plans To Rotate Armor, Mechanized Infantry, and Field Artillery Battalions Between the US and Europe(USAREUR)


HOMEBASE CONCEPT

As an important aspect of our quality of life goals, we intend to strengthen the social, religious, educational and recreational ties between military and civilian families through homebasing. We believe that soldiers will respond to this wholesome family environment with improved efficiency and increased reenlistments. This holds positive implications for our operational readiness and mobilization competence.

Total Army Competence

Competent soldiers are a precondition for a competent Army. Competence begins with recruiting. Initially, we must look for recruits from all over America who offer the potential to become productive, effective, and disciplined soldiers. We must seek young officers with the skills and technological understanding required to lead soldiers on the modern, complex, and dangerous battlefield. Concurrently, we will promote and retain those--and only those--who demonstrate the ability and fitness to perform competently. We must also think in terms of the Total Army, which includes the Active Component, the Army National Guard, the Army Reserve, and the civilian workforce, concentrating our energy on recruiting and retaining dedicated, motivated and capable people committed to professional excellence. Should the Nation ever be required to fully mobilize, it will be the Total Army, not just the Active force that will respond to the need.

Mobilization

Our success in deterring war depends in large part upon the Total Army's readiness to mobilize as rapidly as conditions require. Readiness implies that every mobilized unit be at full strength with capable soldiers willing and able to perform their wartime tasks. This requires a coordinated effort between all Army Components and the supporting civilian workforce.

Those in leadership positions have an immediate and continuing obligation to make deterrence credible through sensible and responsible decisions to improve force competence. The Army accepts this challenge from Congress and the American people, because we understand that battlefield victory depends upon our ability to mobilize responsively. Whatever affects mobilization affects our ability to win.

We recognize that the responsiveness of the Reserve Components can be improved before mobilization by providing for additional full-time cadre. With Congressional support, the Full-Time Manning Program was created. This program consists of Guard, Reserve, and Active Component personnel assigned to high-priority Selected Reserve and National Guard units to improve training, maintenance, and logistics support. In fiscal year 1981, 5,036 full-time spaces were authorized; 5,949 in fiscal year 1982, and 9,540 are programmed for fiscal year 1983. This program is on track.

Successful mobilization also depends upon the availability of soldiers in the Individual Ready Reserve (IRR), because this pool of pre-trained manpower is needed to fill deploying units to wartime strength and to replace combat casualties in Active and Reserve Components until sufficient numbers of trained inductees become available.

The pre-trained status of members in the IRR enables the Army to prepare them for combat in considerably less time than it will take to prepare inductees through the process of conscription. The existence and identification of this pre-trained manpower give depth to our mobilization planning, increasing the Army's deterrent power.

Retirees recalled to active duty are another source of pretrained manpower. They would be used to release soldiers serving in administrative positions for assignment to tactical units.

Since the IRR reached a low point in strength of 149,000 in fiscal year 1977, we have worked to stop losses, retain numbers, and increase strength. At the end of fiscal year 1981, IRR strength was at 213,000. It is projected to grow to 348,000 by fiscal year 1987. This growth, together with strength gains in the Active Component and Selected Reserve, reduce the shortfall to 55,000 by the end of fiscal year 1987. The present shortfall--assuming a NATO-type war--is

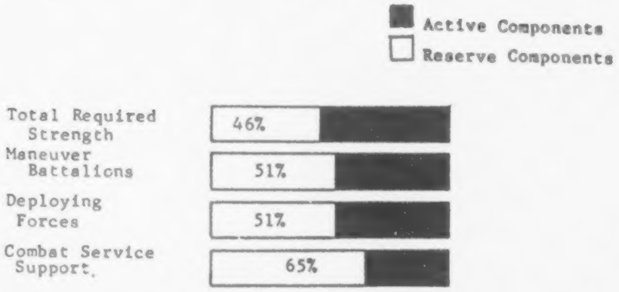
179,000. Congressional concern in this matter is, therefore, understandable. The fiscal year 1983 budget contains a request for $51.4 million to train the IRR, an increase of $14.7 million--or 40 percent--over the 1982 budget.

Army National Guard and Army Reserve

The Reserve Components--the Army National Guard and the Army Reserve--are a vital, integral part of the US Army, providing more than 50 percent of the Army's combat battalions and 65 percent of the Army's combat service support. Because so much of the total Army's strength is found in the Reserve Components, it is unlikely that the US Army could be committed to any significant action abroad without some kind of mobilization. The flexibility of the Army is based on this diversity, making it all the more important that resources be balanced among the Active and Reserve forces. If one component is favored at the expense of the other, the overall flexibility of the total force is correspondingly weakened. This is especially true of personnel distribution, both from a qualitative and quantitative point of view.

PARTNERS IN THE TOTAL ARMY

FY 82



Army National Guard	US Army Reserve	Individual Ready Reserve
8 Combat Divisions	12 Training Divisions	Pretrained Manpower
4 Roundout Brigades	3 Separate Combat Brigades	(end of FY81)
18 Separate Combat Brigades	4 Corps Support Commands/	50,000 Officers
4 Armored Cavalry Regiments	Theater Army Area Commands	163,000 Enlisted

The role of the Reserve Components is even more important in the context of the Three Days of War scenario described by the Army Chief of Staff. On the day before the war, we work to deter conflict. On the second day--the day of the war--we fight the war to an acceptable conclusion. On the third day we terminate at an acceptable level of security.

Today, it is impossible to think of the deterrent value of Army power without realizing that nearly one-half of required Total Army personnel strength is found in the Reserve Components. This makes mobilization probable and necessary in the event of an emergency. In fact, 60 percent of the force we plan to deploy late on the "first day" or early on the "second day" will be furnished by the Reserve Components.

On "the second day," we must plan to replace the casualties of the earlier deployed forces, Active, Guard, and Reserve. These replacements would also be furnished from the Individual Ready Reserve, our expected primary source of pre-trained individual manpower. If additional manpower is needed, it would have to be furnished through the process of conscription.

We recognize that the process of mobilization contains many elements, but none is more important than a concensus that the process is part of a national strategy to deter war through preparedness. From the personnel perspective, we identify total manpower requirements to meet a variety of contingencies, while examining programs to insure our planning is based upon realistic and affordable assumptions. We look at Active Army requirements and the on-going requirements of the National Guard and Army Reserve to support the competency of their units. Beyond that, we recognize that the strength of the Individual Ready Reserve must be increased to meet the demand for individual pretrained replacements, not just in large numbers but in the specialty skills required to fight the war to a conclusive and favorable "third day." We must continue planning and working toward this end.

Civilians

Last year the Army stated that readiness could be improved most by increasing civilian manpower. The Congress responded and provided additional civilian manpower. By the end of FY 1981, an additional 6,000 civilians had been hired, allowing 5,400 soldiers to return to their units. During fiscal year 1982 10,800 civilians will be hired, sending more "borrowed" soldiers back to their units for full-time training. The Army's objective is to achieve a ratio of one soldier returned to duty for each civilian hired. This program is on track with the exception of 3,000 civilians(earmarked to replace borrowed military manpower(BMM))now carried as indirect hires. The Congress has limited the Army to not more than 5,000 indirect hires to replace BMM. Thus, we need relief from the Congressional constraint.

Other civilians hired during FY 1981 and FY 1982 were used to reduce a depot maintenance backlog. This backlog was estimated at nearly $100 million two years ago; it will be totally eliminated by the end of this fiscal year. As a consequence, our depots are manned, thus contributing directly to increased combat readiness and improved training of the Total Army.

During fiscal year 1983, we are requesting the Congress to increase the size of the civilian workforce by approximately 3,000. This end strength increase will provide increased support for force modernization, improvements in military construction support, and initiation of a modest civilian substitution program. We will continue these initiatives in our fiscal year increases which are today improving the readiness of the Army by returning soldiers to their units, improving our hardware procurement capability, and enhancing our logistics base.

Recruiting

Fiscal year 1981 was a good year for Army recruiting. The Active Army enlisted 100.8 percent of its objective, and significantly improved the number and proportion of new recruits scoring average or above on the Armed Forces enlistment test. The changes from 1980 to 1981 was dramatic in terms of quality.

ACTIVE ARMY RECRUITING OBJECTIVES
(000)

	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
Objective	192.6	182.2	137.0	159.2	172.8	136.8	130.6	150.3
Accessions/ Delayed Entry Program	193.0	180.7	134.4	142.1	173.2	137.9	88.3*	-
%	100.2	99.2	98.1	89.3	100.3	100.8	67.6*	-
High School Diploma Grad (Male)	91.3	86.2	74.6	65.6	66.5	77.5	85.2	85.5
High School Diploma Grad (Female)	14.2	13.5	16.8	17.2	19.3	17.2	15.6	17.2
Total	105.5 Last Year of GI BILL	99.7	91.4	82.8	85.8	94.7	100.8	102.7

*as of 22 February 1982

Thus far in fiscal year 1982 our recruiting program is on track to meet the objectives set by the Army in accordance with Congressional constraints.

The Active Army was able to exceed the Congressional floor of 65 percent non-prior service(NPS) male high school diploma graduates(HSDG) by nearly 13 percent in 1981. As you know, the Congress required the Department of Defense(DoD) to recruit not more than 25 percent in test score category(MC) IV, the lowest acceptable category. While last year's overall DoD statistics show that the Congressional constraint was achieved, the Army MC IV accessions were 30.9 percent. It appears at this time that the Army will achieve the Congressional mandate of not more than 25 percent MC IV in 1982, but we will require continuing Congressional assistance to meet the 20 percent MC IV Congressional mandate in fiscal year 1983. For us to achieve this goal, we must have a long-term educational recruiting incentive program. The GI Bill would be desirable, but if it is not instituted, then we must have authority to continue the current Veterans Educational Assistance Program with special "kickers."

MALE COMPOSITION AS A PERCENT OF MALE NON-PRIOR SERVICE ACCESSIONS BY SERVICE AND MENTAL CATEGORY(MC)

		MC I-IIIA	MC IIIB	MC IV
FY 80	ARMY	26.0	22.0	52.0
	NAVY	59.5	22.4	18.1
	AIR FORCE	63.8	25.9	10.3
	MARINES	45.0	26.7	28.3
FY 81	ARMY	40.0	28.6	31.4
	NAVY	64.2	22.9	12.9
	AIR FORCE	67.9	24.4	7.7
	MARINES	54.9	31.5	13.6

During fiscal year 1980, 26 percent of the males who came into the Active Army without prior military service were in the higher mental categories, I through IIIA. During fiscal year 1981, the number rose sharply to 40 percent. At the same time, the percentage of male recruits lacking a high school diploma fell from 51 percent to 22.2 percent.

While the general economic conditions have been in our favor, a number of other factors contributed to the successful recruiting effort, including Congressional support of pay increases, appropriate recruiting resources, improved recruiting managements, enhanced educational benefits for both the Reserve Components and the Active forces, and the growing support of the American public for young men and women in uniform.

Looking to the President's Budget Program, the Army should be able to recruit and retain sufficient volunteers to man the force, if we continue to receive the support of Congress and the American people.

We hope to achieve Total Army objectives in the 1980's by a combination of targeted incentives, including bonuses, education, and assignment incentives. The most important ingredient for the Total Army, however, is a non-contributory educational incentive program: it will help us man the force with adequate numbers of competent soldiers.

Overall, the Army recruited 94,700 high school graduates--male and female--in fiscal year 1981, compared to 85,800 during fiscal year 1980. Our goal for fiscal year 1982 is 100,800. The total recruiting objective for fiscal year 1981 was 136,800. The objective for fiscal year 1982 is 130,600, increasing to 150,000 in fiscal year 1983.

Our focus on high school graduates is based upon the fact that they are much more likely to complete their enlistment contracts than non-high school graduates. Seeking out high school graduates is also cost-effective, for it is far cheaper to spend extra resources recruiting high school graduates than to bring marginal soldiers into the Army who fail to complete their enlistment contract.

ATTRITION RATES OVER A 3-YEAR PERIOD

		Year of Entry				
Sex	Education Level	FY 77	FY 78*	FY 79*	FY 80*	FY 81*
Male	HSDG**	28.9	26.1	24.8	24.5	25.4
Male	NHSDG***	50.6	45.4	45.0	45.8	45.5
Male	All	39.4	31.9	32.8	36.0	30.5
Female	HSDG**	44.2	44.6	43.7	45.4	47.2
Female	NHSDG***	58.3****	54.6****	46.8****	61.2	61.6
Female	All	46.3	45.3	43.8	47.8	48.1
All Enlisted	All	40.0	33.7	34.2	37.6	33.3

* Forecasts based on data as of Nov 81.
** High School Diploma Graduates.
*** Non-High School Diploma Graduates.
**** Basic Army policy denied enlistment to NHSDGs; a small percentage of GED certificate holders were enlisted (10% of female accessions during FY 76 and FY 77 and 5% and 1%, respectively, during FY 78 and FY 79).

It is all the more important to fund a recruiting package to support the additional expense involved pursuing more potentially competent recruits. There are many elements in this package, including pay, bonuses, non-contributory educational incentives, as well as the costs incurred in advertising their attractiveness to selected audiences. We are convinced that high school graduates who use the Army as a vehicle for attaining a college education are good for the Army: they are more likely to complete their enlistment contract honorably, while insuring that a portion of tomorrow's civilian leadership has been exposed to the obligations of citizenship fulfilled by military service in both Active and Reserve components.

Combat Arms Enlistment

The Army's combat arms became significantly more competent during fiscal year 1981, based upon a correlation between mental category, high school diploma, and performance in the field. Those in the higher mental categories are not better Americans, of course, but they are more likely to be adaptable to changing technology. They learn faster and retain more. During the next decade, the Army will acquire new equipment built upon improved technology. At this moment, the new Abrams M1 tank is being deployed in Germany. Competent crews are in these tanks today. Our manpower program will enable equipment and weapons to be used to their full potential, providing our force the qualitative edge over our adversaries' quantitative superiority.

The Army's combat power is best demonstrated through the combat arms--Infantry, Armor, and Artillery. During fiscal year 1980, 41 percent of the soldiers coming into the combat arms were high school graduates. During fiscal year 1981, the number rose to 72 percent. Those in mental category I through IIIA increased from 18 percent to 39 percent. At the same time, those in mental category IV fell from 63 percent to 30 percent. Thus far in fiscal year 1982, we are at 78 percent graduates in the combat arms, and the number of recruits in these branches who are in the upper half of mental categories has risen to nearly 50 percent. This program is on track.

ACCESSIONS

PERSONNEL QUALITY IMPROVEMENT IN COMBAT ARMS

	FY 80	FY 81	CHANGE (+/-)	1 Oct 81 thru 25 Jan 82
High School Diploma Graduates	40.6%	71.7%	+31.1%	78.3%
Mental Category I-III	37.4%	69.6%	+32.2%	76.4%
Mental Category I-IIIA	(17.6%)	(38.6%)	(+21.0%)	(47.9%)
Mental Category IIIB	(19.8%)	(31.0%)	(+11.2%)	(28.5%)
Mental Category IV	62.6%	30.4%	-32.2%	23.6%

We believe that the Army is now heading toward a professional force which can use modern equipment to maximum effectiveness.

We are encouraged that a suitable portion of our field-proven soldiers are finding the Army sufficiently attractive and challenging to reenlist and become career soldiers. On the other hand, we are anxious to attract college-bound youth into the Army who do not plan to become career soldiers. We need their talent and their potential ability to influence others. If we can offer appropriate educational incentives--such as Ultra VEAP(Veterans' Educational

Assistance Program) or a non-contributory program like the GI Bill--we will be able to recruit college-bound youth. We find it commendable to have young people performing military service for two, three or four years as a means toward earning a college education. Furthermore, educational benefits --especially if the Army can offer programs to compensate for perceived Army-unique disamenities--help keep the Army competitive in the marketplace. These incentives compensate for the perceived disamenities of Army life, insuring a more reasonable portion of our nation's best youth is distributed among the services than would otherwise be the case.

There are costs associated with the Army's educational incentive programs, but these costs should be seen in the perspective of the federal programs which provide direct educational assistance without requiring military or any other service to the Nation. Such programs have been called, "The GI Bill without the GI." Military service and higher education are both honorable pursuits. We suggest, however, that it is in the Nation's best interests to return to a program which binds rather than severs the two notions.

The relative success of the Active Army's contributory education incentives and the success of the non-contributory Reserve Component education initiatives suggest that there is indeed a reservoir of young people--although not necessarily careerists--who are willing to serve the Army and the Nation in exchange for benefits leading toward a college education. A non-contributory program would doubtlessly attract more young people toward military service, strengthen our defense, and improve our Nation's potential to become a more productive society.

National Guard and Reserve Recruiting

The success of Active Army recruiting last year was matched by the Reserve

Components. Army National Guard recruiting for fiscal year 1981 achieved 101 percent of objective. The US Army Reserve recruited 105 percent of objective, with corresponding improvement in retention. The Guard and Reserve were also successful in recruiting a higher percentage of high school graduates than in recent years--63.7 and 61.4 percent, respectively.

We are pleased that the Reserve Components are able to recruit the kind of men and women they need to meet their mobilization commitments. While the Reserve Components have not yet achieved their wartime strength, steady progress has been made. In 1981, the National Guard reached 389,000 and the Army Reserve attained an end strength of 225,000. The 1983 budget supports an end strength of 417,019 in the National Guard and 268,531 in the Army Reserve, which includes 8,600 Individual Mobilization Augmentees.

RESERVE COMPONENT RECRUITING OBJECTIVES AND ACHIEVEMENTS

	FY 81			FY 82		FY 83
	OBJ	ACH	%	OBJ	ACH	OBJ
Army National Guard	95,750	96,436	100.7	96,000	14,994*	105,000
Army Reserve	63,741	66,639	104.5	67,700	17,010**	65,700

* As of 30 Nov 81

** As of 31 Dec 81

Recruiting and retention incentives for the Reserve Components warrant continued support and improvement, including the ROTC program, enlistment incentives, and bonuses to reenlist. The Selected Reserve Incentive Program, particularly the educational assistance feature, has been very successful in recruiting high quality youth. When the educational stipend was raised from $2,000 in 1980 to $4,000 in 1981 the number of recruits taking this option rose from 496 to 5,778 in the Reserve Components.

ROTC

The backbone of our officer commissioning system is the Reserve Officers Training Corps(ROTC). With the assistance of the Congress, the Army has begun an expansion program to reach an additional 89 college and university campuses. The Army has ROTC detachments operating in 303 host institutions and reaches a total of 1,300 through cross-enrollment agreements. To enchance this vital program, the 1983 budget requests authority to expand the number of scholarships by 3,500, raising the total from 8,500 to 12,000. Similiarly, the Junior ROTC program reaches 113,000 youngsters in American high schools, teaching the values of citizenship and discipline. The Army is now embarked on increasing the number of Junior ROTC units by 40 in 1982 and 65 in 1983. We ask for continued Congressional support for the ROTC program in high schools and colleges.

Retention and Force Alignment

The overall purpose of the Force Alignment Plan is to balance the manpower needs of the Army, while eliminating poor performers and retaining competent soldiers. Putting people where they are needed most means some tough decisions in the days ahead.

During fiscal year 1981, the active Army achieved 101.4 percent of its reenlistment goals. The Army National Guard achieved 97.8 percent and the US Army Reserve 103.8 percent.

Retention and recruiting are complementary, but retention in a competency-based force implies more than reenlisting eligible soldiers. It implies reenlisting those soldiers who possess the aptitude and attitude to make affirmative contributions to force competency and combat readiness. Indeed, demands may not be as high in some career fields as others, but all career fields have minimum standards which ambitious reenlistees must meet or exceed. We will insist that those standards be maintained.

The Army is changing reenlistment policies to insure that quality soldiers are retained in those specialties where they are most needed. During fiscal year 1982, we have projected that the Army will need 85,700 reenlistments and 86,900 in 1983. We intend to achieve those goals and improve the quality of the force. We build a better and more cost-effective Army by recruiting soldiers with high potential than we do by retaining soldiers who are only marginally productive.

An example of our tougher reenlistment standards is the new requirement that reenlisting soldiers have three area aptitude test scores of 95 or better on the old mal-normed Armed Service Vocational Aptitude Battery (ASVAB) test. Emphasis on tougher standards for weight and physical condition also improves the career force. Our commanders welcome these management tools; so do our noncommissioned officers and soldiers.

We expect commanders to monitor their soldiers closely, for the key to the reenlistment program depends largely upon the commanders' involvement; it is the commander who must directly influence the retention process. This may require that some soldiers otherwise eligible be barred from reenlisting, based upon substandard performance, lack of ambition, poor self-discipline, or substance abuse.

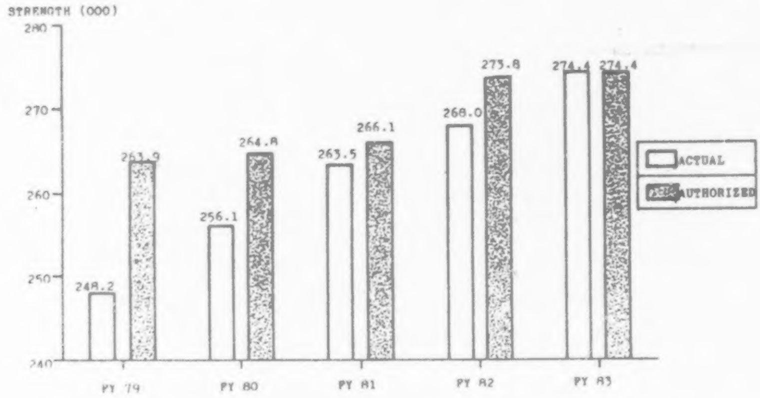
The Army's shortage of noncommissioned officers in selected combat arms skills will be corrected by the new reenlistment policies. The goal of this program is to eliminate approximately 6,000 combat arms NCO shortages and 2,400 other NCO shortages by allowing soldiers to reenlist only in their present skill or for shortage skills. Selected reenlistment bonuses for critical skills will assist in this process and we need Congressional support for this part of our program. We will also advertise the fact that opportunities for promotion are higher in the skills with the greatest shortages.

We will seize the opportunity to improve the quality of the corps of noncommissioned officers. These are essential components of a competent, modern Army. By fiscal year 1983 we expect to be well on our way toward solving the quantitative aspect of this problem.

ACTIVE ARMY

TOP FIVE (E5 - E9) GRADE MANAGEMENT

END STRENGTH



Women in the Army

We are also reviewing the role of women in the Army and their relationship to combat readiness, our paramount concern. As a matter of policy, the Army is anxious to attract and retain competent male and female soldiers for their contributions to readiness. The people of the Army are the Army. We do not intend to send signals that our appreciation is in any way diminished by our inquiry into the unique readiness issues posed by female soldiers. Quite to the contrary, our Army is proud of the contributions they are making. More than 144,000 women are serving with distinction in the Total Army: 75,000 in the Active force, 20,000 in the National Guard, 34,000 in the Army Reserve troop units, and 15,600 in the Individual Ready Reserve.

Active Army End Strength

The Fiscal Year 1982 Defense Authorization Act provided for an Active Army military end strength of 780,300. When the Army presented its fiscal year 1982 President's Budget, the figure requested was 786,300, which was later adjusted downward by 6,000 during the hearing cycle. This budget requests an adjustment upward to 784,400 for fiscal year 1982 to assure the retention of the 7th Infantry Division and a brigade in Europe. The Army military end strength will then be stabilized to the 783,800 level for fiscal year 1983.

Competent Force Indicators

It has been suggested that the Army can be examined with two models: an economic model, which examines numbers and percentages, and an institutional model, which examines the intangibles of morale, goal-sharing and esprit de corps. While we cannot afford to ignore the economic examination, neither can we afford to ignore the state of Army morale, leadership, and discipline. We must be concerned with end-strength, of course; but we must also be satisfied that we have soldiers who will perform when called upon--especially under combat conditions--to support our Nation's policies. They must have character, skill and initiative. This requires a profound commitment to Army traditions and the heritage of the Nation. Indicators of this commitment are found in positive measurements of soldiers' morale, esprit, and skill proficiency, as well as in negative indicators, such as in AWOL and desertion rates, crime statistics, attitude surveys, and drug and alcohol abuse incidence.

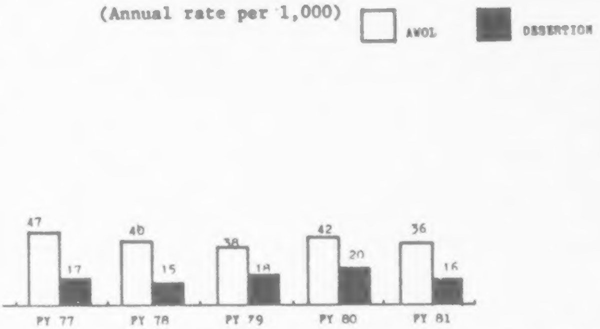
While there is a limit to the value of conclusions based upon slight variations, violent crime is down significantly, compared to early days of the All-Volunteer Force. The rate fell from 8.4 per 1,000 in fiscal year 1975 to 5.9 during fiscal year 1981. During the same period, both AWOL and desertions declined as the following chart reflects.

ACTIVE ARMY

DISCIPLINE INDICATORS

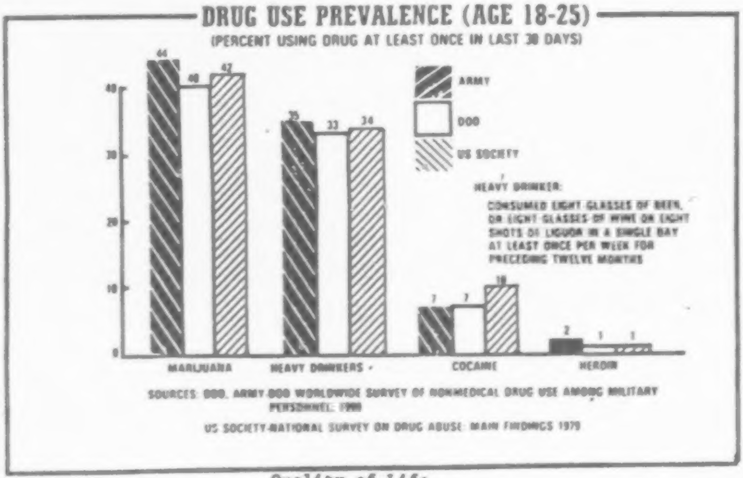
AWOL AND DESERTIONS

(Annual rate per 1,000)



Drug and Alcohol Abuse

Displaying drug and alcohol abuse data offers an element of risk, because it may suggest that the Army is satisfied with abuse control programs that do little more than monitor statistics. The Army rejects this notion in whole and in part. Our programs are not based upon toleration--they are founded on the uncompromising conviction that alcohol and drug abuse are incompatible with military service. Accordingly, the Army will continue to attack substance abuse with the full arsenal of preventive, investigative, administrative, disciplinary and rehabilitative leadership tools. Rehabilitation programs are justified, however, only to the extent that soldiers respond to therapy and counseling: those who fail will be separated without further ado. Effective 1 January 1982, commanders may separate soldiers from the Army who fail rehabilitation after 90 days of treatment. Furthermore, abusers who show little potential for military service may be separated administratively without being entered into a therapy program. This sets into motion a tougher new plan to give the Nation a more competent Army, purged of all unproductive, disruptive and devisive elements possible.


DRUG USE PREVALENCE (AGE 18-25)

(PERCENT USING DRUG AT LEAST ONCE IN LAST 30 DAYS)

* HEAVY DRINKER:
CONSUMED EIGHT GLASSES OF BEER, OR EIGHT GLASSES OF WINE OR EIGHT SHOTS OF LIQUOR IN A SINGLE DAY AT LEAST ONCE PER WEEK FOR PRECEDING TWELVE MONTHS

SOURCES: DOD, ARMY-DOD WORLDWIDE SURVEY OF NONMEDICAL DRUG USE AMONG MILITARY PERSONNEL: 1980

US SOCIETY-NATIONAL SURVEY ON DRUG ABUSE: MAIN FINDINGS 1979

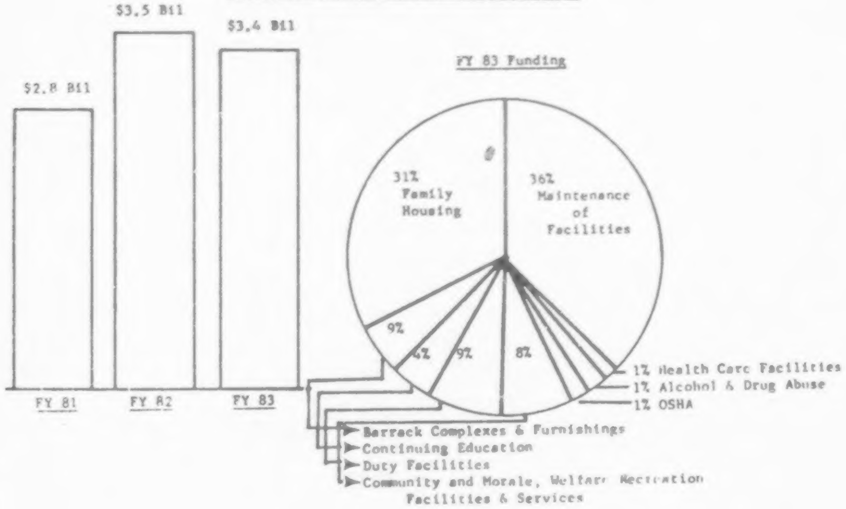
Quality of Life

A soldier's quality of life is influenced by many things besides compensation: housing; facility maintenance; educational opportunities; schooling for family members; community services; morale, recreation and welfare services; health care, and religious opportunities. We are requesting, for example, the construction of physical fitness centers for unit physical fitness programs, scheduled intramural activities, and recreation. This increases Army combat readiness while providing relaxation from the rigors of tough military training.

The Army can accept some compromises in scheduling improvements, but there is a limit to the compromises we can make and still expect soldiers to reenlist, especially ambitious, responsible soldiers. This in turn has an impact on mobilization and readiness.

As soldiers marry and rear families, their expectations change to reflect their new situation. It is the task of Army leadership to recognize changing expectations, transforming these forces into an Army that is increasingly competent. Instead of ignoring the connection between family life and military preparedness, we recognize that a soldier's loyalty to his family is totally compatible with his loyalty to the Army and the Nation. We are long overdue in correcting housing shortages, and the 1983 budget asks for 572 additional sets of family housing. The single soldier also matures as he becomes more senior in rank and experience. We must not isolate these single soldiers from our quality of life programs, expecting all professional soldiers (single and married) to share our concern with living and working conditions, which corresponds to similar concerns of other professional groups interested in the wholesomeness of their environment.

FUNDING STATUS OF QUALITY OF LIFE



Conclusion

The Army is ever mindful of Congressional initiatives to maintain pay comparability for members of the Nation's Armed Forces. Comparability must be maintained to ensure the viability of the volunteer Army.

Congress has also supported a bonus program enabling the Army to attract and retain soldiers in critical skills. We need this continued support which allows us to apply resources judiciously to solve one of our most troublesome problems--shortages in critical skills.

The Army has benefitted from the Veterans Educational Assistance Program(VEAP), especially Ultra-VEAP which gives the Army a recruiting incentive to overcome the perceived lack of amenities associated with Army service, particularly the combat arms. As a direct consequence of Ultra-VEAP, the Army has attracted able and motivated youth who would not otherwise look to the Army as a desirable option, compared to other opportunities found in the marketplace.

We believe educational incentives--as provided by the Congress--hold the key to the Army's quality improvement. This improvement can continue under the auspices of a GI Bill or a program similiar to Ultra-VEAP which appeals to open-minded, ambitious young men and women.

Founded upon the belief that we should no longer delay the Army's transformation from adequacy to excellence, it is now time to move decisively toward a competency-based force. We grasp the needs of the future clearly enough to understand that we cannot postpone this transformation indefinitely. We hope Congress shares our view. Our collective decision to face these issues squarely has a positive impact on Army strategic planning, requiring us to optimize the network of human resources available to the Army in peace and war. Our budget requests are tied to this strategy.

We embrace the evolutionary process which has created the Army of today; we also recognize the potential limitations of today's force on tomorrow's battlefields. The material shortcomings will be corrected as we modernize the Army, build our sustaining base, and train for the future. Improving our personnel posture will require a corresponding amount of sacrifice and self-discipline.

Senator **Jepsen**. General Walker, do you have any remarks?

STATEMENT OF MAJ. GEN. EMMETT H. WALKER, JR., DIRECTOR, ARMY NATIONAL GUARD, DEPARTMENT OF THE ARMY

General **Walker**. Thank you, Mr. Chairman. I have submitted a statement that I ask you to make a part of these proceedings, and with your permission I have a very brief oral statement I would like to make.

I am pleased to report to you, sir, that the Army National Guard manpower situation——

Senator **Jepsen**. General, excuse me just a second. We have a request to be on the floor at 10:30 for something, and I am trying to find out whether this is another false alarm. And I do want to hear what you have to say. So if you will excuse me for a moment.

[Pause.]

Senator **Jepsen**. Thank you, gentlemen. We can stay and continue our meeting. Please proceed.

General **Walker**. Sir, I am pleased to report to you today that the Army National Guard has turned the corner, in my opinion, on manpower. In fact, our recruiting and retention is booming. At the end of February we went over the 400,000 figure in the Army National Guard. In fact, we have more people on board now than we were programed to have at the end of this fiscal year, September 30, and we are now evaluating the option we have to fund this success.

Our full-time support program, full-time people, has reached 34,000 people this year, against a requirement of 51,600, which really means that we have about a 30-percent shortage in our full-time requirements.

I wish I could give you the same favorable report on the equipment of the Guard. That is our No. 1 problem, the same as the Active Army's. But I have got to hasten to tell you how much we appreciate what you gave the Guard last year. As you recall, you gave us an add on $50 million for equipment, and several other add ons, and we are most appreciative of what you did for the Guard last year.

Mr. Chairman, as you know, the Guard represents 46 percent of the combat troops of the total Army, and we feel we have made great progress in the training and readiness of our personnel. And with your continued support in our personnel matters and in the facilities that we so direly need, we think we can give you the National Guard that this Nation deserves in the defense of this Nation.

Thank you so much. I am ready for your questions.

Senator **Jepsen**. Thank you.

[The prepared statement of Major General Walker follows:]

Prepared Statement by Maj. Gen. Emmett H. Walker, Jr., Director, Army National Guard, Department of the Army

INTRODUCTION

As part of the Total Army, the Army National Guard (ARNG) is a key element in the defense of the United States. The citizen-soldier of the ARNG willingly provides his time and effort to be ready should mobilization come. He must have training, equipment, and leadership necessary to help prepare him for whatever his mission may be. The resources provided to the ARNG are applied to this end and this statement will provide an insight as to what has been done in the past and what is necessary this year and in the future. At the onset, it is important to understand that the ARNG must be ready to go to war—today and tomorrow. All ARNG units have valid Total Army mobilization missions, and the number of ARNG high priority units is increasing. These units provide essential combat and logistical support needed early in the deployment process. The following sections of this statement will describe the ARNG in the mission areas of organizing, manning, equipping, training, and mobilizing the force—the Army National Guard.

ORGANIZING THE FORCE

On a unit basis, the ARNG provides 33 percent of the combat divisions, nearly 50 percent of the infantry, armor, and field artillery battalions, 57 percent of the armored cavalry regiments, and 25 percent of the combat service support units in the Total Army. Further, the Army National Guard represents approximately 60 percent of the total strength of the Army Reserve Components. There is a continual review of missions and resources within the ARNG to insure that these resources are organized in the most effective manner. This past year was characterized by organizational changes to selected elements of the ARNG force structure to meet Total Army requirements. Among the most significant was the activiation of an additional armored brigade in the Kentucky Army National Guard. This brigade was formed by a consolidation of existing combat and combat support elements, permitting the Army to add combat power at minimum cost and with minimal personnel turbulence. In addition, nuclear, biological, and chemical defense (NBC) companies were added to the 50th Armored Division in New Jersey and the 49th Armored Division in Texas. A combat support aviation company was activated in Hawaii as part of the 29th Infantry Brigade, which is a roundout to the 25th Division. Other activation in the ARNG took place which increased the capability of the Total Army by a medical group headquarters and medical detachment, two ordnance battalion headquarters and eight ordnance companies or detachments, a signal battalion headquarters and two signal companies, six transportation companies and detachments, and four maintenance companies.

In fiscal year 1982, the ARNG will continue its structure modernization efforts consistent with Total Army requirements and resource availability. Significant force structure actions programed for fiscal year 1982 are the activation of an air traffic control headquarters, a medical battalion headquarters, and an ammunition battalion headquarters with three conventional ammunition companies. Military intelligence aerial surveillance organizations will be reorganzed to form a combat electronic warfare intelligence (CEWI) aerial exploitation battalion. Also programed for activation in fiscal year 1982 are a supply and service battalion headquarters, a signal company, a medical clearing company, a military police company, and two engineer detachments, all in Guam.

MANNING THE FORCE

The ARNG has made significant gains since fiscal year 1978 when assigned strength declined to a low of 344,000. Reversal of this downward trend occurred late in fiscal year 1979 and the upswing has continued into the 1980's. With support from the Congress and the Nation, the fiscal year 1987 wartime required strength of 453,000 will be reached in fiscal year 1986. As of the end of fiscal year 1981, the ARNG is 88 percent of wartime required, with a paid strength of 389,009. This includes 38,364 officers and warrant officers and 350,645 enlisted personnel. Strength is at the highest level since fiscal year 1979. Aggressive recruiting and retention programs, incentive programs, and flexible enlistment and training options, aided by the state of the economy and the world situation, all contributed to the improvements in manning levels. Central to these successes is the professional Full-Time Recruiting Force working in conjunction with Army National Guard members at every level. The enlistment incentives and improved enlistment options also substantially aided fiscal year 1981 recruiting efforts. The split training option, for example, contributed significantly to the increase in accessions of high school seniors. The Full-Time Attrition and Retention Force was activated in fiscal year 1981 with the placement in the States of 79 personnel dedicated to retention. One-hundred seventy-nine additional retention personnel are scheduled to join units in fiscal year 1982. These personnel are tasked to reduce losses of individuals prior to expiration of term of service (ETS), the most serious retention problem facing the ARNG today. Details on accessions, attrition, and retention of specific categories of ARNG personnel are included in the following paragraphs.

The ARNG continued the Selected Reserve Incentive Program (SRIP) which started in fiscal year 1978. The intent of the program is to increase personnel readiness and to reduce personnel turbulence through longer service commitments for selected units. The program initially consisted of an enlistment bonus, reenlistment bonus, and educational assistance. In fiscal year 1981, bonuses for critical skills were added in an effort to increase accessions to shortage skills and those skills essential to unit effectiveness. With this expansion, 75 percent of the enlisted structure is eligible for enlistment bonuses and 63 percent of the enlisted structure is eligible for retention bonuses. In fiscal year 1981, the Inactive National Guard (ING) Bonus, the Affiliation Bonus, and loan repayment programs were added. The Affiliation Bonus for prior service active duty personnel with a remaining military service obligation, pays $25 per month for each month of the remaining obligation. The loan repayment program repays certain Federal guaranteed and/or direct student loans. The loans are repaid at a rate of 15 percent or $500 per year, whichever is greater, for each year of satisfactory service for individuals who enlisted, reenlisted, or extended their terms of service. The ING Bonus was terminated at the end of fiscal year 1981.

The effects of the incentive programs are evidenced by the greater strength gains in those units and in those skills authorized the incentives. Efforts to increase and expand the Selective Reserve Incentive Program (SRIP) will continue in order to maximize this valuable recruiting and retention tool. Implementation of a $2,000 Enlistment Bonus for critical skills and expansion to other critically short CMFs was accomplished earlier this fiscal year. A prior service bonus is programed for fiscal year 1984 in order to capitalize on the available resource of trained personnel. Enlishments for fiscal year 1981 totaled 96,436 or 100.7 percent of the programed objective. Concurrently, nonprior service enlistments reached 52,447 reflecting 103.6 percent of the fiscal year 1981 nonprior service objective, while prior service enlistments were 43,989 or 97.4 percent of that objective. In addition to exceeding quantity goals, quality objectives are also being met or exceeded. During this past fiscal year, 13.2 percent of ARNG enlistees scored in test category IV, the lowest category allowed to enlist. This is significantly below the Total Army ceiling of no more than 30 percent of accessions in this category. High school graduates and seniors continue to join the Guard at an increasing rate. In fiscal year 1981, the recruiting standard of a minimum of 60 percent high school graduates was implemented. During fiscal year 1981, 63.7 percent of ARNG nonprior service accessions were high school graduates. This percentage is expected to improve during fiscal year 1982.

The officer accessions program has also been successful. At the start of this fiscal year, the total officer strength of the ARNG reached its highest level ever recorded—38,364. The steady increase in officer strength is attributed primarily to the success of ARNG officer recruitment and accession programs. However, the increase also reflects a greater appreciation throughout the country for the vital mission performed by the National Guard and its importance to both State and national interests. Although officer assigned strength is at a record level, this represents only 93.6 percent of that authorized. Continued emphasis on funding present and future officer procurement initiatives is essential to maintain the upward trend.

The ARNG initiated the Army Medical Department (AMEDD) Officer Accession Program in March 1979 to alleviate the critical shortage of health care professionals. At the start of fiscal year 1982, AMEDD officer strength was 5,054 or 85 percent of authorized, and physician strength was 620 or 50 percent of authorized. Implementation of the first phase of the ARNG AMEDD Readiness Procurement Force Plan during fiscal year 1981 authorized one AMEDD recruiting officer for each of the medical brigades located in California, Mississippi, and Ohio. These officers are dedicated to the recruiting and retention of health care professional personnel. The AMEDD recruiting and retention program will expand the Full-Time Recruiting Force (FTRF) in fiscal year 1982 to a total of 32 AMEDD officers and three enlisted personnel. Other AMEDD positions include unlimited overstrength for selected AMEDD personnel, direct appointment, and medical and dental student commissioning in the ARNG.

Innovative basic branch officer procurement programs such as the Simultaneous Membership Program (SMP) and the Early Commissioning Program (ECP) have enhanced the Reserve Officer Training Corps (ROTC) quality and quantity of accessions to the ARNG. During fiscal year 1981, approximately 1,200 ROTC graduates were appointed in the ARNG. The trend is expected to continue with ROTC becoming a principal source of new lieutenants entering the

ARNG in the future. The assignment of 100 ARNG officers to ROTC detachments under the Expand the Base (ETB) program and additional funding of ROTC scholarships for the Selected Reserve are significant factors in the current and projected increase in officer accessions through ROTC. ROTC is well on its way to becoming a truly viable source of officer accessions for the Total Army—not just the active force.

Minority strength reflected substantial gains during fiscal year 1981. At the end of this past fiscal year, 3,318 officers and warrant officers and 97,061 enlisted personnel, for a total of 100,379 individuals, or 26 percent of assigned strength, were members of minority groups. Female strength in the officer and warrant officer categories increased from 1,357 to 1,653; among enlisted personnel female strength increased from 15,383 to 17,968 during fiscal year 1981. Thus, at the end of fiscal year 1981, the ARNG included 19,621 or 5.0 percent, female personnel. The ARNC minority accessions objective remain at achieving minority manning levels at the unit level comparable to the distribution of minorities in the local population.

As strength has increased, so has the requirement for full-time support. The full-time support mission improves unit readiness and provides greater flexibility in meeting varied and changing mission requirements. Full-time support activities accomplish the vital day-to-day missions of the ARNG: command, control, maintenance and other logistical support, and training operations to ensure that the limited time available at unit training assemblies is used in the most productive manner. In fiscal year 1983, the full-time support requirement is programed to be 52,000; with fewer than 37,000 personnel available, there is a shortfall of approximately 30 percent. This shortfall is the result of repeated reductions in civilian end strength and increased requirements due to greater equipment density and complexity, increased unit personnel strength, and increases in the number and type of units in the ARNG force structure.

An issue of continuing concern is that of technician compatibility, wherein technicians who are required to be members of the ARNG as a condition of employment, are assigned to military positions compatible with their technician position. At the end of fiscal year 1981, the incompatiblity rate for the ARNG was 12 percent. The goal is to reduce this rate across all units to 5 percent by the end of the current fiscal year with no State having more than 15 percent of its technicians in incompatible military positions. These goals are responsive to congressional guidance. Command emphasis and improved management procedures at State level will be necessary to ensure that this goal is met. One action taken at National Guard Bureau level which will enhance this effort is implementation of a policy of granting waivers to compatibility directive only for the purpose of enhancing unit effectiveness. In the past waivers were also granted to allow career advancement of the technician. A monitoring program consisting of periodic reviews of personnel files for compatibility and audits of the individual States has been established to ensure compliance and track progress.

EQUIPPING THE FORCE

To provide the materiel resources necessary to support the ARNG is another major challenge. During fiscal year 1981, the status of ARNG equipment was slightly improved. In order to meet full wartime mobilization requirements, the ARNG needed an equipment inventory valued at $11.8 billion. Equipment on hand is valued at $8.1 billion, leaving a shortfall of $3.7 billion from the wartime equipment requirement. In other terms, on hand assets meet 69 percent of the wartime requirement.

It is important to understand that these figures do not represent the cost of providing modern equipment, but rather would provide equipment similar to that presently in ARNG units. The increased funding provided by Congress in the fiscal year 1982 appropriation for procurement of howitzers, command post vehicles, bridging, mortar carriers, data processing equipment, 5-ton trucks, and aircraft specifically for the ARNG will make inroads into this shortfall. Additionally, funds to procure 200 M198 155mm towed howitzers dedicated to the ARNG have been identified from Army appropriations.

While most of the equipment on hand in the ARNG is deployable and supportable, some of it is old and significantly less capable than the equipment found in the Active Component. For example, some of the ARNG signal units are equipped with older generation communications equipment that will not fully interface with the newer Army systems. The only air defense capability for the eight

ARNG divisions is the 30-year old 40mm "Duster," which has become progressively more difficult to maintain due to age and nonavailability of spare parts. Diagnostic test and maintenance equipment in ARNG maintenance units are designed to support older equipment and cannot accommodate new systems such as the TOW and the M1 tank. In addition to the old equipment in the ARNG inventory, many items are being carried as authorized substitutes, another area that adversely impacts upon training and would impact upon operational effectiveness in the event of mobilization. As an example, ¼ ton jeeps are being substituted for TOW antitank weapon system tracked carriers. Improvements in this area can be expected as the ARNG is included in the Army force modernization program. Thirty-eight modernization systems are planned for introduction into the ARNG during fiscal year 1984 through fiscal year 1988. This number has doubled since last year. Included in these systems is equipment ranging from the M1 tank to personal armor systems for ground troops. Growing in the ARNG force modernization program can be expected to continue with a gradual modernization of many items in the equipment inventory. Looking at the current situation, delays in filling unit equipment shortages and in modernizing assets on hand have severely restricted improvement of materiel readiness, and in some cases, adversely impacted on training effectiveness. This is most significant during joint Active/ARNG exercises where ARNG equipment is incompatible with Active Component equipment. This could have a direct impact on the ability of the ARNG to respond quickly to a national emergency. In the event of war, the ARNG would simply have to fight with the equipment it has on hand, irrespective of age or effectiveness. In addition, deployment of ARNG units with equipment not compatible with that found in the gaining command could cause severe operational and support problems.

The ARNG organizational clothing and equipment program has improved but continues as a major problem area. Procurement from the Army stock fund is the single source for specific unit support items such as chemical defense equipment (CDE), medical field sets, tool and test sets, fire direction sets, winter clothing, and camouflage screens. The adequacy of stock fund support is critical to unit mobilization and deployment readiness. Even with additional funding provided in the fiscal year 1982 appropriation, the ARNG clothing and equipment shortages, which totaled over $518 million in fiscal year 1981, are not programed to be filled until fiscal year 1987. Problems in this area are compounded by rapid cost growth and increased sophistication in authorized items of equipment. Of special concern is chemical defense equipment. The shortages in chemical defense equipment have impact on both training and mobilization readiness. At present about 10 percent of the total requirement of $102 million in chemical defense equipment is on hand or on requisition. The availability of this equipment will improve gradually in the fiscal year 1983 to fiscal year 1988 timeframe, with priority of issue to early deploying units.

ARNG equipment requirements are included in the Army Acquisition Objective (AAO). Issues from the supply system are made in accordance with established Total Army priorities, ensuring that both mobilization readiness and unit training programs are efficiently supported. Priority for issue of the most modern equipment goes to the highest priority, earliest deploying units. Although significant shortages exist, wherever possible, units are provided with sufficient equipment assets to conduct a meaningful training program, regardless of deployment schedules. Much of the heavy tracked equipment assigned to ARNG units is positioned at designated mobilization and training sites. This equipment is available for ARNG use during inactive duty training and annual training at those locations. The concept of positioning unit equipment at designated mobilization and training sites is cost effective and supports both training and mobilization requirements.

The ARNG is automating its logistics management capability on a limited basis. At present, the eight ARNG divisions, 15 separate combat brigades, and three roundout brigades are operating the Division Logistics System (DLOGS). This automated system uses UNIVAC 1005 equipment which is antiquated and difficult to maintain. The UNIVAC 1005 could not be supported in a deployed environment. Extension of the DLOGS to the four remaining brigades has been deferred indefinitely due to the lack of computer hardware. Looking toward modernization, five nondivisional direct support units have received the new Decentralized Automated Service Support System (DAS3). This system automates routine supply management and provides constant inventory visibility. These systems will be extended to an additional 43 ARNG Direct Support/General Support (DS/GS) units during fiscal year 1982 and fiscal year 1983. Replacement of the DLOGS UNIVAC 1005 with the DAS3 system is scheduled for completion in fiscal year 1987.

AVIATION SUPPORT

Aviation support deserves special mention. The ARNG Aviation Logistics Program has proved its effectiveness by exceeding the Department of the Army operational readiness rate for the past 6 years. This is especially significant when consideration is given to the varied aircraft systems supported by the ARNG maintenance program. At present, the Army National Guard is authorized a total of 2,739 aircraft, including a 10 percent operational readiness float. The bulk of the fleet is comprised of utility, observation, and attack aircraft. Of the 2,580 aircraft on hand, only 1,822 are first-line aircraft, comparable to those found in the Active Component. For example, of the 409 attack helicopters authorized, only 26 are modernized AH–1S TOW Cobras. The remaining attack aircraft are older aircraft possessing limited mission capability. During fiscal year 1981, 13 AH–1S modified "TOW Cobra" attack helicopters were transferred from the Active Component into the ARNG aircraft inventory. In addition, 12 newly produced, fully modernized AH–1S aircraft were received directly from the factory. These 12 aircraft were the first new AH–1S aircraft to be producer for, and issued to, the ARNG. During fiscal year 1982, seven additional AH–1S aircraft are scheduled to be transferred from the Active Component. Eight of the ARNG attack helicopter companies and six of the air cavalry troops are projected to have the resources necessary to accomplish mission-related training by the end of fiscal year 1983; however, many other units will not have the AH–1S system and must continue to train with nondeployable aircraft. An additional problem faced by the ARNG is the introduction of new aircraft into the Active Component without introduction of the same equipment into the ARNG. A limited number of new aircraft are required to train ARNG high priority maintenance units to ensure that they can support the AC in the event of mobilization. An initial effort to assist in this area will be the issue of four UH–60s to the ARNG during fiscal year 1983. Additionally, as a result of fiscal year 1982 congressional action, 12 additional new production AH–1S aircraft and six C–12D aircraft will be procured for the ARNG.

A related issue to equipping the force is that of providing facilities for use by ARNG units. The ARNG operates, through the various States and territories and the District of Columbia, 2,821 armories, 1,635 logistics and maintenance facilities, 270 training sites, and over 200 other facilities. Under the provisions of the United States Code, support for these facilities varies from full Federal funding of training sites to full State funding for armory operation and maintenance. At the start of this fiscal year, there was a federally funded Backlog of Maintenance and Repair (BMAR) amounting to $55.6 million. This was an increase of $11.3 million over fiscal year 1981. Funds are programed to reduce BMAR to $15.2 million, the ceiling established by Congress in 1978, by fiscal year 1987.

In addition to these maintenance and repair requirements, military construction projects represented a backlog of $740 million in fiscal year 1981. This backlog is expected to grow to $800 million by the end of this fiscal year. The principal reasons for this situation are increasing requirements for ranges and construction cost escalation. With construction costs escalating at approximately 10 percent a year, an appropriation of $80 million per year would be required to hold the backlog constant, even without additional projects. The budget request for the fiscal year 1982 military construction program was $47 million. Congress added $20.7 million providing a total of $67.7 million for fiscal year 1982, which is still much less than the required $80 million. The fiscal year 1983 construction request is $51.1 million, or only 65 percent of the fiscal year 1982 appropriation, allowing further growth of the construction backlog.

TRAINING THE FORCE

The core of the ARNG training program is the training assembly. Each member of the Guard is scheduled for 48 training assemblies. In addition to these assemblies are a number of innovative, highly productive training programs; these are highlighted in the following paragraphs.

The Active Component/Reserve Component (AC/RC) Partnership Program, which includes all ARNG divisions, separate brigades, armored cavalry regiments, aviation attack helicopter companies, and air cavalry troops was implemented in 1980 to solidify the mutual support relationship already established. The Partnership Program is a year-round effort whereby AC units provide training support, evaluation, and assistance to their designated ARNG partner units. Another program is Affiliation Training which continues to be an outstanding vehicle for improving the readiness of selected ARNG units through dedicated support by AC units. This program is composed of three elements. The first is Roundout, wherein ARNG units are designated to raise AC divisions short units to desired structure. The ARNG has four brigades and six-battalions designated as roundout affiliates. The second program, Augmentation, identifies ARNG units which will increase the combat power of AC divisions or brigades that have a standard configuration. The ARNG has five brigades designated as augmentation affiliates. The last program is Mobilization and Deployment Capability Improvement (MDCI). In this program, ARNG units that require dedicated AC assistance to meet mobilization or deployment schedules are affiliated to improve their readiness condition. ARNG units in this category do not deploy with the AC sponsors. The ARNG presently has 39 battalions and 71 company-size units designated as MDCI affiliates. During the past year, this program has been expanded with the addition of eight ARNG battalions and 55 company/detachment size units. These units were selected because they are scheduled for early deployment in the event of mobilization.

Department of the Army has developed procedures which officially establish a direct link between all Army units and their wartime chain of command. This initiative, the Army CAPSTONE program, is designed to improve wartime planning and preparation through the organization and training of a force structure designed to meet a particular contingency mission. Under CAPSTONE, the wartime chain of command, probable wartime mission, and probable area of deployment are designated for each unit. Training readiness improvements continue, designed to compliment CAPSTONE. For example, in 1982, 108 ARNG units will participate in approximately 2 weeks of intensive training with overseas commands. This realistic deployment training is the most effective way to fully expose Guard units to their NATO mission during a 2-week training period. This type of training supports the objective of providing Guard soldiers realistic, mission-oriented training, performed in the geographic area of probable employment with AC units. Further, the success attained by ARNG units in responding to mission requirements, immediately upon arrival in an overseas area, is a vivid example to the AC gaining commands and NATO allies of the operational effectiveness of ARNG units. This program provides opportunities for exercising assembly, movement/deployment, and employment. This is the Total Army in action. In coordination with the AC, the ARNG has developed a 5-year schedule for participation of units in overseas deployment training.

JOINT TRAINING EXERCISES

ARNG participation in Joint Training Exercises (JTX) continues to provide units with training opportunities that are not normally available in a unit training environment. ARNG combat, combat support, and combat service support units are tasked to perform realistic missions alongside their active counterparts in a joint service environment that challenges them to produce under realistic and stressful conditions. During fiscal year 1980 and fiscal year 1981, the ARNG deployed a complete infantry battalion to Europe, where they drew POMCUS stocks and participated in JTX REFORGER. The success of this exercise proved the capability of the ARNG to respond to its deployment mission direct from home station. In coordination with AC, ARNG has developed a 5-year exercise schedule for participation of major ARNG units in the JCS joint exercise program.

At the local level, training of individual soldiers, leaders, staffs, and units continue to focus on increased use of local training sites and taking full advantage of training devices and techniques, such as scaled mini-ranges. Travel time reductions plus improved performance-oriented training should provide enhanced readiness and increase retention and recruiting. Where local training is not possible or cost effective, travel funds are necessary to move these units to appropriate training sites. An on-going Training Site Requirements Study (TSRS) is being conducted to determine the types of facilites necessary for expanded use of training sites.

Military education of ARNG personnel provides a means for the individual to acquire new professional skills, enhance existing skills, and to be prepared to accept greater responsibilities in more complex job assignments. In fiscal year 1982, military education of the ARNG will continue the growth of past years with increased participation by officer and enlisted personnel in Active Army service schools, DOD schools, Army Area schools, USAR schools, and unit schools. This past year, 60,991 ARNG personnel enrolled in these schools, representing an increase of 6,209 over fiscal year 1980. Over 70,000 ARNG personnel are expected to attend this type of training in fiscal year 1982. The ARNG Undergraduate Pilot Training (UPT) quotas increased from 90 in fiscal year 1981 to 140 students in fiscal year 1982, with a ramp up to 205 in fiscal year 1985 and after. To enhance pilot tactical training in the States, the U.S. Army aviation center (USAAVNC) is conducting a special Night Hawk/Night Vision Goggles method of instruction course for ARNG instructor pilots. Development of this IP cadre is essential to meet Aircrew Training Program premobilization objectives of a total day and night aviation combat and combat support capability. Since the introduction of the Continuing Health Education (CHE) program in the ARNG, the number of students, primarily doctors and nurses, has increased from 18 in fiscal year 1978 to 363 in 1981. Fiscal year 1982 student population will well exceed 400. This program is seen as a major factor in the recruitment and retention of medical personnel.

The National Guard Bureau conducted three new courses of instruction: The Unit Size Company Commanders Course; the Teach, Advise, and Counsel (TAC) Officer Training Program; and the Direct Appointment Orientation Course at the National Guard Professional Education Center (NGPEC) at North Little Rock, Arkansas. The Unit Size Company Commanders Course is designed to develop managerial and leadership skills and techniques which are essential to successfully command a company-size unit. The purpose of the TAC Officer Training Program is to ensure standardization of leadership aspects of the ARNG State officer candidate schools. The Direct Appointment Orientation Course provides officers and warrant officers who have received a direct appointment, with an orientation of basic principles and concepts of the United States Army system of operation.

The Puerto Rican English Technical Language School (PRETLS) will continue in fiscal year 1982 with funding from the National Guard Bureau. The school is designed to provide elementary and intermediate English language instruction to Puerto Rican ARNG trainees. It also provides pre-basic training to the student. The graduate of this course is expected to enter basic training within 30 days. Attrition among graduates of this program has been significantly reduced during initial entry training.

State military academies conduct NCO schools, with an enrollment of over 15,000 enlisted personnel. The State officer candidate schools continued to be the largest source of junior officer accessions for the ARNG, graduating 1,356 students in fiscal year 1981 and projected to graduate 1,387 in fiscal year 1982. The ARNG provides students to the Combined Arms and Service Staff Schools (CAS 3) at Fort Leavenworth, Kansas. Participation began in fiscal year 1981 with seven ARNG personnel enrolled. Thirty-five personnel are expected to extend during this fiscal year.

Two areas which continue to receive special emphasis are those of nuclear, biological, and chemical (NBC) training and the Key Personnel Upgrade Program (KPUP). Action was taken early in fiscal year 1981 to accelerate the manning of unit level NBC positions, resulting in 85 percent, officer and enlisted, of the chemical specialist positions filled at the end of fiscal year 1981. Concurrent with supporting chemical defense training, there is a requirement to provide contingency chemical defense equipment (CDE) for high priority units. The ARNG goal is to provide contingency items by fiscal year 1983 for all early deploying units.

The Key Personnel Upgrade Program (KPUP) provides the opportunity for selected ARNG officers and NCOs to train with an AC counterpart for the purpose of improving the individual's military skills and the training readiness of his units. This program was initiated this past fiscal year with 200 personnel participating. An additional $3.0 million was appropriated to support KPUP in fiscal year 1982. This will allow key personnel from high priority units and combat units to train with an AC counterpart. Eighteen million dollars has been approved for fiscal year 1983. This will support the objective of increasing participation to approximately 2,000 personnel. Expanded participation will allow for small units (squads, sections, etc.) to train with an AC unit during field training exercises. In addition to KPUP, funds are provided in the fiscal year

1983 budget submission for headquarters staff training, travel for environmental training and 3-week annual training for participation in jointreadiness exercises. These training initiatives will provide additional training time for high priority ARNG units.

In the area of aviation training, the ARNG initiated the standardized, nationwide implementation of the Aircrew Training Program. The program phases in an ARNG capability to meet premobilization objectives and a capability to train to full mission capacity upon mobilization. In addition, premobilization aircrew qualification/proficiency will be standardized among like units with identical premobilization missions. Expansion of the Army's Flight Simulator Program to all States in fiscal year 1982 will provide the means for ARNG aviators to receive training in UH–1H emergency condition recognition training. Prior to fiscal year 1982, the program was restricted to aviators located within 200 miles of the simulator, but the positive feedback and documented emergency action improvements supported the expansion of the simulator program to include all aviators assigned to UH–1H cockpit positions.

Guard aviation provides approximately one-third of the Total Army aviation program; ARNG aviators are programed to log more than 28,000 Aircrew Training Manual (ATM) creditable hours in flight simulators during fiscal year 1982. Ninety-one percent of the 293,375 hours in the fiscal year 1981 program were applied toward aircrew training requirements in conjunction with unit mission support. Briefly stated, ARNG aviation remains cost effective in the utilization of flying hours to train aviators and units.

MOBILIZING THE FORCE

Mobilization preparedness represents the ultimate objective of all the efforts of the ARNG. The Chief, National Guard Bureau, through the Director, Army National Guard, is responsible for producing effectively manned, trained, and equipped units prepared for mobilization. Selected ARNG units are now assigned POMCUS, are included in the Rapid Deployment Force, and are being considered for direct deployment. This is in addition to providing numerous essential forces to support the major plans of the Army. This continued and increased reliance on the ARNG has underscored the need to streamline the mobilization process, increase mobilization awareness and improve response capabilities.

To meet these challenges, the ARNG has actively participated in the development of new mobilization planning guidance and is in the process of reorganizing the State Area Commands (STARC) for more effective execution of both pre- and post-mobilization missions. Various exercises have been conducted or are scheduled to evaluate mobilization readiness. One such exercise is the Readiness for Mobilization Evaluation (REMOBE). REMOBE is conducted by the STARC for selected high priority units in each State. Major objectives of the exercise are evaluation of the unit capability in mobilization planning, readiness, and the impact of readiness improvements. During fiscal year 1981, 22 ARNG units participated in these exercises and additional participation is planned for fiscal year 1982. A second exercise is the Mobilization Deployment Exercise (MODEX), also conducted by the STARC. It is designed to enhance the overseas deployment training program. Selected ARNG units deploying overseas complete a mobilization capability evaluation and certification for deployment prior to departure. During fiscal year 1981, 12 ARNG units tested this program for feasibility and impact. The results were overwhelmingly positive and all units scheduled for overseas deployments during fiscal year 1982 will be encouraged to conduct a MODEX. Further, the JCS biennial mobilization exercise (MODEX) is in the initial planning stages. The primary thrust of this exercise for the ARNG is expanded participation of the STARC, unit participation at the mobilization stations and an evaluation of mobilization plans and execution capability.

SUMMARY

The ARNG plays a central role in our national defense. The capability of the citizen soldier to respond to the most demanding wartime missions is a matter of record. This status report has provided a description of what the ARNG is doing to ensure that the resources necessary to allow him to respond in the most effective, efficient manner are available. Much progress has been made in recent years. With the support of Congress, this momentum will continue into the future.

Senator JEPSEN. General Berkman?

STATEMENT OF MAJ. GEN. WILLIAM R. BERKMAN, CHIEF, ARMY RESERVE

General BERKMAN. Thank you, Mr. Chairman. I have submitted a statement for the record which I would like to have, with your permission, appear. And then I have a brief statement I would like to make as well.

Senator JEPSEN. You may proceed.

General BERKMAN. I appreciate this opportunity to appear on behalf of the Army Reserve, and on behalf of the Army Reserve I, too, want to express my appreciation for the support you and this committee have provided to improve the strength and readiness of the Army Reserve.

ARMY RESERVE

The Army Reserve is an essential part of the total Army and currently consists of over 438,000 men and women. Over 225,000 are members of the troop program units and an additional approximately 213,000 are in the Individual Ready Reserve.

The Army Reserve troop program units constitute 34 percent of the Army's tactical support, 23 percent of the general support increment, 15 percent of the Army's nondivisional combat and special theater force increment. A significant number are included in the Army's portion of the Rapid Deployment Force.

Army Reserve unit structure is not a mirror image of the other components of the Army, and many Army Reserve units are consequently early deploying. Approximately one-fifth of the deployable Army Reserve units are planned for deployment within 30 days of mobilization, 57 percent will deploy between 30 and 60 days, and practically all of the deployable units will be deployed within 30 days of mobilization.

Consequently, the readiness of these Army Reserve units and individuals is essential to total Army readiness, and readiness results with personnel, training and equipment. Significant success has been achieved in efforts to increase the strength of the Army Reserve units. From a low point of 186,000 in 1978, troop program unit strength has grown by almost 40,000 until, as of January 31 of this year, it reached the level of 225,000, which is approximately 87 percent of authorized strength. It is anticipated that that strength will be over 237,000 by the end of fiscal year 1982.

Monetary incentives, which have been discussed, have been an important ingredient in that strength growth, even though they are currently available to only 73 percent of the force. Incidentally, as General Thurman indicated, increasing the level of the educational assistance from $2,000 to $4,000 resulted in about a 1,200-percent increase in the number of individuals taking advantage of that opportunity.

Retention has also improved as a result of the eligible soldiers who chose to extend their commitment for the reenlistment bonus. The budget also supports an increased level of full-time support personnel for the Army Reserve. Historically, the Army Reserve has had the lowest percentage of full-time personnel of all of the service Reserve components. There is an urgent need to redress this deficiency by increasing the number of full-time personnel assigned to Reserve units, and a step in this direction is included in the 1983 budget by increasing the full-time personnel by almost 500 for those in the units.

The soldiers serving in troop program units will assist in the training, administration, logistics and maintenance, and will permit willing reservists to devote more time to the training required to attain and maintain adequate levels of readiness.

EQUIPMENT SHORTAGES

Equipment shortages continue to adversely affect Army Reserve readiness, as well as the total Army. The Army Reserve, just as the Active Army, does not have all of the required equipment. To give some indication of the problem in the Army Reserve, the dollar value of the Army Reserve shortage compared to wartime requirements is in the neighborhood of some $4 billion.

Overall Army Reserve equipment will improve slightly as a result of congressional initiatives from previous years and 1980–82 funding and equipment programs for the Army Reserve from total Army procurement.

Training, together with personnel and equipment, constitutes the readiness equation, and training is one of the most important responsibilities of Army Reserve leadership. The battalion training management system has resulted in more effective training management, and training improvements have also resulted from the Capstone program that focuses the training of units on their wartime missions. Another important ingredient of training is the participation in large-scale training exercises with the active component as well.

A few final words about the Army Reserve. The Individual Ready Reserve is also an important part of the Army Reserve. The IRR, which reached a low point of 144,000 in early 1978, has increased to approximately 213,000 by the end of fiscal year 1981, principally as a result of policy changes that require longer service in the IRR, as well as requiring more individuals to serve in the IRR rather than the Standby Reserve.

Another significant program affecting individuals is the Individual Mobilization Augmentee program, which is a significant improvement in improving individual readiness. Under the IMA personnel, members of the Selected Reserve are assigned to the Selected Reserve, and as members of that are subject to the 100,000 callup of the President. I believe there have been improvements and accomplishments, and the fiscal year 1983 budget continues to support that progress.

Units and individuals in the Army Reserve I believe will continue to make progress toward their readiness goals, provided, as you indicated, Mr. Chairman, that the required resources for personnel, equipment and training facilities are made available.

That concludes my statement and I am available for your questions, sir.

[The prepared statement of Major General Berkman follows:]

PREPARED STATEMENT BY MAJ. GEN. WILLIAM R. BERKMAN, CHIEF ARMY RESERVE

Mr. Chairman and Members of the Committee

I am honored to once again present the Army Reserve program. I also welcome this opportunity, on behalf of all members of the Army Reserve, to express my appreciation for and support of measures to improve the strength and readiness of the Army Reserve.

INTRODUCTION The Army Reserve is an essential part of the Total Army. The Army Reserve consists of over 400,000 men and women. Members of Army Reserve troop program units number over 200,000. The others are members of the Individual Ready Reserve. To accomplish its peacetime mission of deterrence, the Total Army requires Army Reserve units that are ready, equipped and capable of performing wartime missions, and sufficient pretrained individual Reservists. Should deterrence fail, those units are required to sustain and reinforce the Army.

Army Reserve units are primarily combat support, combat service support and general support. They also include significant combat forces. These forces are required to provide a balanced Total Army. Examples of the contribution of Army Reserve units to the Army's structure are indicated in Figure 1.

The Individual Ready Reserve consists of pretrained individuals who are required for specific mobilization positions, to fill units of the Total Army, as cadre for additional units required upon mobilization, and as replacements.

The Army Reservist is a dedicated American—a patriot pursuing dual careers. The Reservist is meeting the requirements for success in a chosen civilian career field. In addition, the Reservist, like our Minuteman forebears, is a soldier contributing to our national security

FIGURE I

EXAMPLES OF US ARMY RESERVE UNITS AS A PERCENT OF THE TOTAL ARMY UNIT STRUCTURE*

TYPE UNIT	% OF ARMY STRUCTURE
TRAINING DIVISIONS	100%
TRAINING BRIGADES	100%
CIVIL AFFAIRS	97%
LIGHT EQUIPMENT MAINTENANCE COMPANIES	68%
FIELD SERVICE COMPANIES	62%
ARMY SECURITY AGENCY	56%
CONVENTIONAL AMMUNITION COMPANIES	54%
MEDICAL **	44%
SUPPLY AND SERVICE COMPANIES	39%
SPECIAL FORCES	33%
PATHFINDER	30%
TRUCK COMPANIES	30%
COMBAT ENGINEER BATTALIONS	24%
HEAVY EQUIPMENT MAINTENANCE COMPANIES	15%
AVIATION	13%
FIELD ARTILLERY BATTALIONS	9%
SEPARATE BRIGADES	8%
INFANTRY BATTALIONS **	7%
MECHANIZED INFANTRY BATTALIONS **	2%
TANK BATTALIONS **	2%

*Current structure as of 2 January 1981
**Includes organic and separate elements

ORGANIZING THE FORCE

Not too many years ago the Army Reserve was, as Webster defined the word, "an extra supply" to be used if the primary supply was insufficient. That definition, in the context of today's Army Reserve, is no longer applicable. Today's Army Reserve is an integral and essential part of the Total Army and must be capable of performing wartime missions from the outset of hostilities. The number and types of units in the Total Army are determined by requirements for a balanced 24-division force, including necessary support. That force is then allocated to the Active and Reserve Components. Each element of the Total Army contributes to the whole, resulting in an interdependence of all components to form an Army which must be capable of performing its peacetime and wartime missions.

Army Reserve units constitute 33 percent of the Army's tactical support increment and 25 percent of general support force increment (Figure 2). In addition, the Individual Ready Reserve constitutes the essential mobilization pool, providing resources across the Total Army.

RESERVE CONTRIBUTION TO TOTAL ARMY EXPECTED TO INCREASE

Type units in the Army Reserve structure are shown in Figure 3. The importance of the Army Reserve continues to grow. An increasing number of Reserve units have been assigned high priority because of essential combat service and logistical support needed early upon mobilization and deployment, and for support of the Rapid Deployment Force. Recently, 83 Army Reserve units have been identified for inclusion in the Army's portion of the Rapid Deployment Force because of the essential combat support and combat service support they as a member of a unit or the Individual Ready Reserve. The Reservist's military training to achieve individual and unit readiness takes place on weekends, evenings and during vacations--often at the expense of time with family matters or other civilian pursuits. Reservists often contribute their time to Reserve programs in excess of paid training assemblies. Reserve participation may also mean attending scheduled training assemblies for pay that is less than that available for a part-time job. Reservists also travel at their own expense to Reserve centers for training assemblies. We can all take pride in the dedicated men and women who serve our country in the Army Reserve. The Reservist is indeed, in the words of Winston Churchill, "twice the citizen." They are fellow Americans who deserve the support of employers, family, and their fellow citizens.

As part of the Total Army, the Army Reserve must be ready to go to war--today and tomorrow. Readiness of individuals and units to perform wartime missions is required for readiness of the Total Army. Challenges still exist for the Army Reserve to achieve required readiness goals. But significant progress has been and is being made.

FIGURE 2

ARMY RESERVE TROOP PROGRAM UNIT CONTRIBUTION TO TOTAL ARMY WARTIME UNIT STRUCTURE

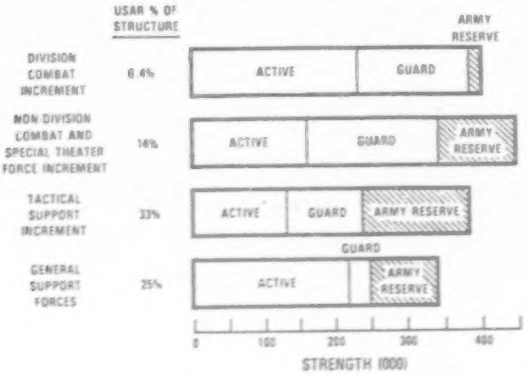


FIGURE 3

TYPE US ARMY RESERVE UNITS

DIVISIONAL FORCE INCREMENT

INFANTRY BATTALION
TANK BATTALION
ENGINEER BRIDGE COMPANY

NON-DIVISIONAL COMBAT AND SPECIAL THEATER FORCE INCREMENT

SPECIAL FORCES
PATHFINDER
ARTILLERY
ENGINEER
AVIATION

TACTICAL SUPPORT INCREMENT

WELL DRILLING
WATER SUPPLY
TRANSPORTATION
CIVIL AFFAIRS
QUARTERMASTER
PSYCHOLOGICAL OPERATIONS
MAINTENANCE
FIREFIGHTING
JUDGE ADVOCATE GENERAL
GRAVES REGISTRATION
MEDICAL
AMMUNITION
CHEMICAL
SIGNAL
ENGINEER
FINANCE
AVIATION
AMBULANCE
MILITARY POLICE
PETROLEUM SUPPLY
INTELLIGENCE
PORT CONSTRUCTION

GENERAL SUPPORT INCREMENT

TRAINING DIVISIONS
TRAINING BRIGADES
GARRISONS
HOSPITALS
RAILWAY
RECEPTION STATIONS
TRANSPORTATION COMMANDS
SCHOOLS
CIVIL PREPAREDNESS SUPPORT DETACHMENTS
MANEUVER AREA COMMANDS
MANEUVER TRAINING COMMANDS

represent. Wartime structure strength and peacetime objective strength for the Selected Reserve is projected to increase. Modernization and structure changes reflect new doctrine, accommodations to new weapons systems, and decisions adding missions to the Army Reserve. Of course, resources are required to accomplish these changes. In order to implement these and other vital force structure/force modernization changes, $7.0 million of the $18.6 million required in FY 82 are in the budget. At the same time the disruptive effects of organizational turbulence must be minimized.

Force structure plans over the next five-year period call for the activation of approximately 270 units. The types of units scheduled for activation are primarily combat support and combat service support and include: engineer, medical, quartermaster, transportation and military intelligence. During the same period, units no longer required will be inactivated, reorganized, or form the bases of new units.

The Fiscal Year 82 budget supports activation of two divisional Combat Electronic Warfare Intelligence (CEWI) battalions, five separate CEWI companies in support of Corps and Brigade operations, and conversion of one aviation unit to a corp-level CEWI aviation unit in the Army Reserve. In FY 83, an additional three divisional CEWI battalions and five separate CEWI companies are planned for activation.

As part of the Army Chemical Warfare (CW) efforts, the budget supports activation of two Nuclear/Biological/Chemical (NBC) defense companies, one smoke generator battalion headquarters and two smoke generator companies in FY 82. FY 83 Troop Program Guidance further supports this effort by activation of three additional NBC defense companies, two additional smoke generator companies, five decontamination detachments and 14 other various NBC detachment-sized elements.

MANNING THE FORCE

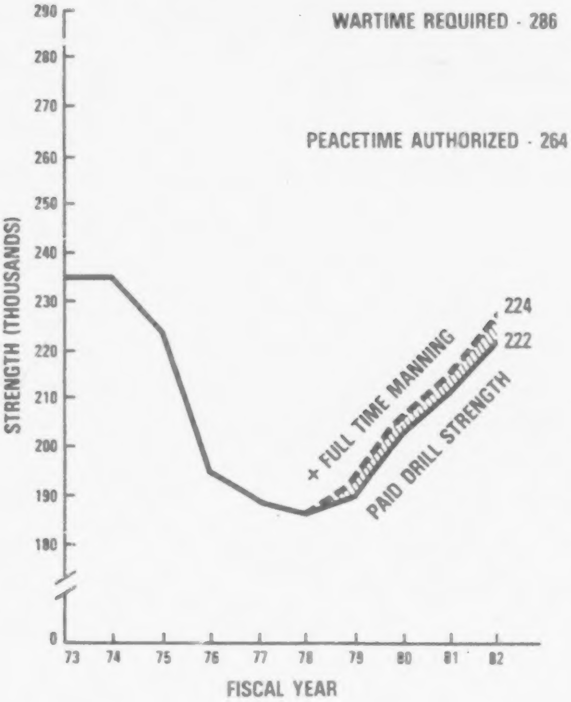
Manning the Army Reserve continues to be a matter of high priority and challenge. We are improving but need to do better. The Selected Reserve is composed of three categories of personnel: paid drill strength and Reserve enlistee in the training base, full time support and, recently added, individual mobilization augmentees. Paid drill strength makes up the bulk of the members of troop program units. Full time support are Reserve personnel on full time active duty with the command and control structure and other assignments where their Reserve expertise is required. Individual Mobilization Augmentees are Reservists who would fill critical predesignated positions in the Active Army upon mobilization.

The strength of the Army Reserve in the troop program units reached a low point in 1978; but it has steadily increased since then (Figure 4). Since 1978, the Army Reserve paid drill strength has increased steadily. Troop program unit end strength was 185,800 in FY 78, 189,990 in FY 79, 202,627 in FY 80, and is projected to be 211,360 in FY 81.

Equally encouraging has been the continuation of the trend which began in FY 79 of recruiting more individuals without prior service than the year before. A factor in this success is the effectiveness of the partnership between the US Army Recruiting Command and Army Reserve units. The Army Recruiting Command provides middle management for full-time Army Reserve recruiters, and the Army Reserve units contribute leads to recruiters on individuals interested in a career in the Army Reserve. It is expected that prior service accessions to Army Reserve units will continue at a steady rate, with the assignment of additional Army Reserve in-service recruiters to the principal separation centers of the Active Army.

FIGURE 4

ARMY RESERVE TROOP PROGRAM
UNIT END STRENGTH



Congress also contributed substantially to the improvement in strength by providing resources and continuing the support for enlistment and reenlistment incentives and by supporting the split-training program.

SELECTED RESERVE INCENTIVES PROGRAM

Monetary incentives were first initiated for higher priority units of the Army Reserve in December 1978. Not only has the Army Reserve enlisted Paid Drill strength increased every year since their initiation in FY 79, but the incentives are having the desired effect of channeling new members into high priority units. These incentives currently include an enlistment bonus of $1,500 or educational assistance of up to $4,000 for qualified high school graduates who enlist in high priority units or critical skills for six years. In FY 80, this program resulted in 5,976 soldiers enlisting for $1,500 cash bonus and 274 soldiers enlisting for the tuition assistance option.

Another incentive is a reenlistment bonus of $900 or $1,800 for Reservists with up to nine years of service who elect to serve three to six additional years, respectively, in a high priority troop unit or critical skill. One thousand and ninety-seven (1,097) soldiers reenlisted for three years and 3,356 soldiers reenlisted for six years for the reenlistment bonuses.

These successful programs for both enlistment and reenlistment were broadened in June 1980 by adding an additional 103 high priority units to the program. With these new units, approximately 33 percent of the Army Reserve force is authorized both enlistment and reenlistment incentives, and an additional 26 percent of the force is authorized only the enlistment incentive.

Another salutary effect of these incentives is improved retention in units. The 4,453 soldiers who reenlisted for the reenlistment bonuses in FY 80 contribute to the steady decline of losses since the initiation of the incentives programs. As a result of these incentives and other programs to improve the Army Reserve, a paid drill and trainee end strength in the Army Reserve of 211,360 is expected to be achieved by the end of FY 81.

In FY 81, these successful incentive programs are being supplemented by extending the enlistment incentives and reenlistment bonus to enlisted members with critical combat and medical skills in Army Reserve units not previously authorized incentives.

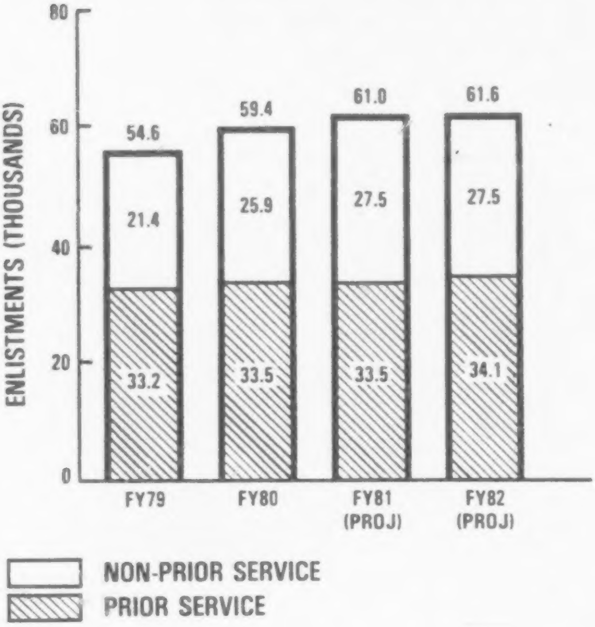
Legislation has also been drafted for Congressional approval of an enlistment bonus for prior service personnel beginning in FY 82. This bonus program will be for enlistments in selected skills and designated units for individuals who enlist for a period of six years. This prior service bonus is a logical extension of the affiliation bonus initiated by the Congress in 1981.

These extensions of the incentives programs, coupled with the new initiatives, are expected to contribute to a projected paid drill and trainee end strength of 221,727 by FY 82. Figure 5 shows the Army Reserve accessions program from FY 79 to FY 82.

The projected FY 82 paid drill strength still does not provide the enlisted strength required, even though it represents an increase over 35,000 since FY 78. Nevertheless, it is still approximately 42,000 short of the peacetime authorized strength and 64,000 short of wartime required strength. Under current programs and projections it is expected that the full authorized troop program unit strength levels will not be reached until FY 86.

FIGURE 5

ARMY RESERVE ENLISTMENTS
(IN TROOP UNITS)



WOMEN IN THE ARMY RESERVE

Participation by women in Army Reserve units continues to increase as shown in Figure 6. More than 29,000 women are members of Army Reserve units. This represents 14.3 percent of the members of Army Reserve units. The combat support and combat service support units in the Army Reserve can accommodate substantial numbers of women members. The FY 82 projection is 34,300 women Reservists, which is 15.4 percent of the force. The long-term programmed strength is 43,300 women, comprising about 19.4 percent of the Army Reserve troop program unit personnel.

INCREASES IN IRR STRENGTH REFLECT MANAGEMENT INITIATIVES ON IRR

There is a serious shortage of pretrained soldiers in the Individual Ready Reserve (IRR) who would be required upon mobilization to bring Active and Reserve Component units from their peacetime to wartime strengths, form new units and serve as replacements. The IRR, which reached a low of 144,000 in early 1978, increased to 205,296 at the end of FY 80 (Figure 7). The increase was due principally to policy changes although initiatives underway are also expected to result in some improvements.

Army policy now requires all obligated soldiers in the IRR to be retained for the full term of their commitment, unless specifically approved for transfer to the Standby Reserve. In the past these individuals were automatically transferred to the Standby Reserve at the completion of only five years of a six-year obligation. In addition enlisted members of the Army will be assigned to the IRR, if they have potential for useful service under conditions of full mobilization, rather than administratively discharging them before completion of

FIGURE 6

WOMEN IN THE ARMY RESERVE

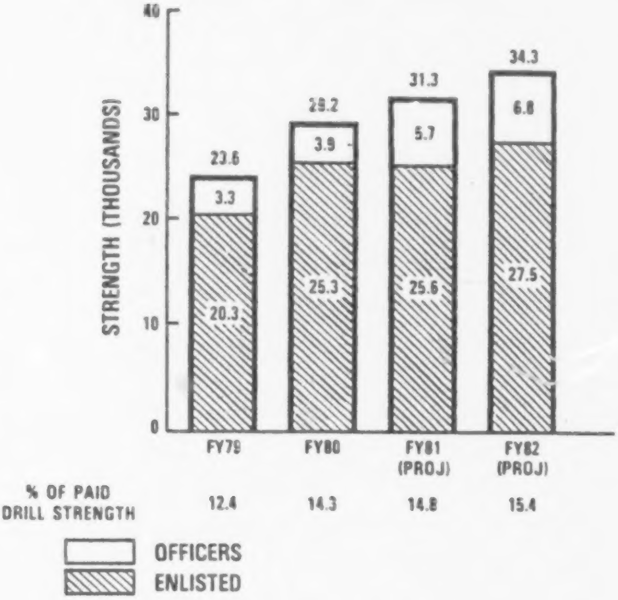
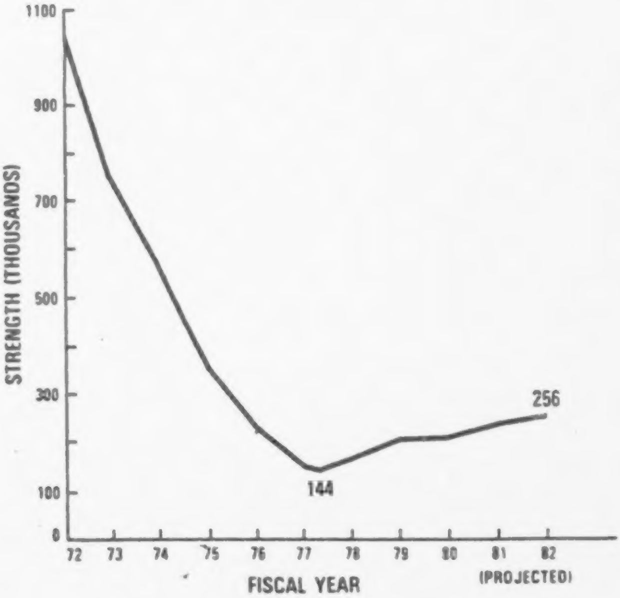


FIGURE 7

INDIVIDUAL READY RESERVE STRENGTH



their six-year military obligation. The 1978 legislation giving women a six-year service obligation will have an effect on the IRR in FY 81 as those women completing their three-year tours of active duty begin entering the IRR.

An Active Army test of a two-year active duty enlistment which results in individuals spending a longer time in the IRR should also contribute to increases in the IRR.

In Fiscal Year 81, an IRR reenlistment bonus was funded. This program provides a bonus of $600 to individuals in selected skills who have completed their obligation, have fewer than ten years of total service and reenlist for a minimum of three years.

In addition to the initiatives mentioned above, preassignment of IRR members is being accomplished to increase the number of soldiers who will report rapidly for mobilization. At selected transfer activities, obligated soldiers being released from active duty are receiving mobilization preassignment orders if their skills match mobilization requirements. Those who do not have a critical skill at the time of separation will be used to fill later requirements or be designated to retrain upon recall to active duty in a critical specialty. Personnel management of pretrained individual Reservists is continuing to improve with better tracking and location procedures, more frequent contact, and faster notification procedures.

Although progress has been made in improving the IRR strength and responsiveness, we are still a long way from meeting our needs for pretrained manpower on mobilization from the IRR.

INDIVIDUAL MOBILIZATION AUGMENTEE PROGRAM

Another facet of the increased emphasis on the IRR is the Individual Mobilization Augmentee (IMA) program. The purpose is the identification, preassignment and training of Army Reserve personnel. The IMA system programmed for FY 82 would designate these IRR personnel as members of the Selected Reserve, and, consequently, eligible for the 100,000 call-up authority of the President. IMA personnel will consist of the current Mobilization Designees, and other IRR members to fill key positions in Active Component units and organizations. Attempts will be made to select members living within commuting proximity to the unit of assignment, which will enhance the opportunity for year-around training and participation in tests and exercises with the unit. Priority for fill of positions will be to wartime positions not authorized in peacetime in the combat and combat support units which deploy early and to base support units which must be expanded quickly to support deployment operations.
This program has great potential for improved mobilization readiness.

RECRUITING ARMY RESERVE HEALTH PROFESSIONALS

The shortage of health professionals is a continuing concern for the Army Reserve. The Army Reserve is short 73 percent of the physicians and 43 percent of the nurses needed for mobilization. However, as the result of recent initiatives, the professional medical officer strength is projected to increase due to recruiting efforts, as shown by Figure 8. The joint recruiting program between Active Army and the Army Reserve has been underway since the latter part of FY 80. The projected strength figures for FY 81 are based on the effectiveness of the recruiting program, which is projected to produce 300 physicians in FY 81, increasing to 400 physicians annually thereafter for Army Reserve units. The FY 81 budget

FIGURE 8

ARMY RESERVE HEALTH PROFESSIONALS IN UNITS
(BY SPECIALTY)

	FY 80 (ACTUAL)	FY 81 (PROJ)	FY 82 (PROJ)	FY 82 AUTHORIZED END STRENGTH	FY 82 END STRENGTH vs AUTHORIZED
PHYSICIANS	925	1,065	1,305	3,371	-2,066 (-61%)
DENTISTS	896	951	1,102	1,102	BALANCED
NURSES	3,254	3,571	3,888	5,682	-1,794 (-32%)
OTHER PROFESS.	368	424	480	619	- 139 (-22%)
MEDICAL SERVICE	2,601	2,659	2,659	2,147	+ 512 (+24%)
TOTAL	8,044	8,670	9,318	12,824	-3,487 (-27%)

included funds for 47 full-time recruiters and their civilian administrative support personnel. The FY 82 budget request includes funds to upgrade continuing health education opportunities for 4,002 health specialists, thereby contributing to the retention of Army Reserve medical personnel. The recruiting of nurses for the Army Reserve is being accomplished by the Army Recruiting Command.

INCREASED FULL TIME SUPPORT PERSONNEL TO IMPROVE UNIT READINESS

The FY 81 Reserve Personnel, Army (RPA) budget included an overall increase from the previous year of 1,191 full-time unit military personnel, bringing the total number of Reservists on full-time active duty in the Army Reserve to 5,400 end strength. Full-time support personnel provide either unit or augmentation support. The assignment of full-time military to key positions in Army Reserve units has the greatest potential for improving unit readiness. These soldiers will be full-time specialists in functional areas most critical to the units. The experiences of other services have demonstrated a high correlation between full time unit support and unit readiness. Historically, the Army Reserve has had the lowest percentage of full time personnel supporting units among all of the Reserve Components. There is an urgent need to redress this deficiency in the Army Reserve by increasing the number of full-time unit support military personnel assigned to Army Reserve units. Military full-time support including Active Component military in Army Reserve units should increase from 1,212 in FY 80 to 2,859 by the end of FY 82 for high priority units.

FULL-TIME MANNING

As shown by Figure 9, full-time manning, as a part of full-time unit support, accounts for 1,625 Army Reserve personnel in FY 81 and increases to 2,089 by the end of FY 82. These Army Reserve personnel are supplemented by 770 Active Component personnel in FY 82. The spaces identified for full-time manning reflect unit requirements, geographic proximity to parent and supported units, and unit mission and unique circumstances. Units have been afforded the opportunity to put a priority on the functional positions needed.

ARMY RESERVE TECHNICIANS

Closely associated with full-time manning is the test of converting some civilian technicians to full-time military. The test, which began in March 1979, of converting vacant civilian technician positions to military status resulted in 1,276 conversions by June 1980. The FY 81 budget proposed to convert 363 additional positions. These conversions were planned prior to receipt of Congressional guidance to terminate the test 1 July 1980 and are based on earlier indications that the test would be successful and that Congress will support its continuation. The FY 82 budget request assumes Congressional approval of a reprogramming action to achieve the conversions. Progress toward this goal should Congress approve further conversions is shown by Figure 10.

CAREER MANAGEMENT OF
FULL TIME PERSONNEL

A career management program for Army Reserve full-time support personnel has been developed to attract and retain qualified personnel. It includes rotational assignments and selective retention provisions similar to the Active Component. The program was implemented in February

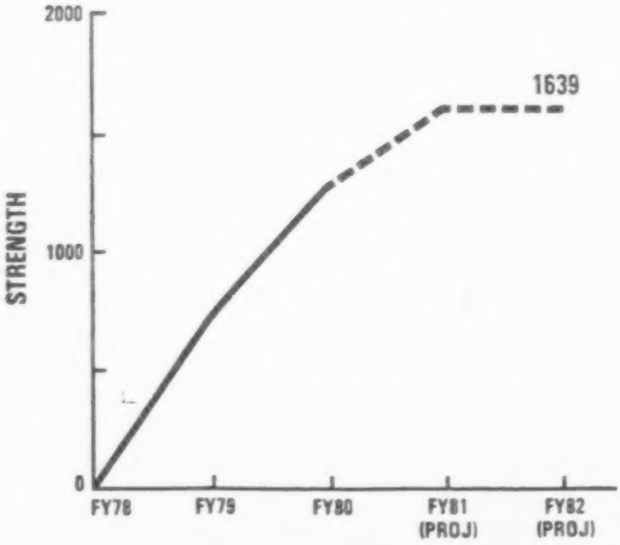
FIGURE 9

ARMY RESERVE FULL TIME MANNING PERSONNEL

	FY 80 ACTUAL	FY 81 PROJECTED	FY 82 PROJECTED
ARMY RESERVE (RPA FUNDED)	821	1,625	2,089
ACTIVE COMPONENT (MPA FUNDED)	390	738	770
TOTAL	1,211	2,363	2,859

FIGURE 10

USAR TECHNICIAN CONVERSION



1979 and includes all US Army Active Guard/Reserve tours (those which extend beyond 179 days), including technician positions converted to full time military. The full-time manning positions will come under the long-tour management program once there has been an initial fill by the local unit. Several changes are needed in the law to afford equitable treatment of Reservists and provide greater management flexibility.

DRILL ATTENDANCE REPORTING

In the continuing effort to improve drill attendance reporting, and reduce some of the administrative workload, the Army Reserve is implementing two initiatives to the Joint Uniform Military Pay System-Reserve Components (JUMPS-RC). The first is the Drill Attendance Reporting Test (DART). Under DART a positive input transaction (as compared to the exception reporting system currently in operation) generates pay entitlements. DART employs a "credit card" accounting system in which the Reservist turns his card in to his unit at the beginning of a training assembly and a pay form is imprinted. This enhancement will improve the drill attendance reporting.

Another initiative is the Consolidated Army System for Processing Entitlements to Reservists (CASPER). CASPER is a US Army Forces Command initiative to centralize financial data entry into the Army reporting system. This enhancement will reduce unit administrative workload.

EQUIPPING THE FORCE

Equipment as a key element in readiness is equal in importance to manning. Army Reserve units in peacetime must have at least that minimum essential level of equipment for training. Readiness requires assurance that upon mobilization all required equipment will be available to Army Reserve units in time for deployment in order to perform wartime missions.

Army Reserve units in the Rapid Deployment Force (RDF), however, must be ready for immediate deployment. Therefore, there is need for additional funding initiatives to bring these units to the state of equipment readiness required for immediate deployment. The FY 80 overall equipment on hand status of the Army Reserve was 56 percent of the peacetime dollar value authorized and 37 percent of wartime dollar value requirements. Although stocks have been issued to the Army Reserve, the actual total dollar value of equipment on hand has not kept pace because of increases in requirements, authorizations, equipment diversions, and withdrawals for prepositioning materiel overseas (POMCUS). The results of the Minimum Equipment Level for Training (MELT) Study concluded that most units could maintain acceptable levels of training readiness with 70 percent of their authorized equipment. As more equipment is diverted to the POMCUS Program, the equipment status will become even more critical. Equipment sharing among units continues to be an alternative to equipment shortages, and will assist in essential training for all units. The Army Reserve equipment status at the end of FY 80 is shown on Figure 11.

As the Active Component modernizes, it is vitally important that the Reserve Component forces also receive appropriate modernization in order to be able to perform their missions in support of the Active

FIGURE 11

ARMY RESERVE EQUIPMENT STATUS
(DOLLAR VALUE IN $000 AT END FY 80)

COMMODITY	REQUIRED	AUTHORIZED	ON HAND	FY 1980 ISSUES ALL SOURCES *
COMMUN-ELECTRON	$ 221,817	$ 179,550	$ 93,431	$ 6,499
TANK-AUTOMOTIVE	1,672,077	1,067,979	751,825	24,022
WEAPONS	383,326	227,495	155,619	5,260
AVIATION	867,973	701,970	229,121	280
MISSILE	37,194	23,062	4,347	1,371
OTHER	523,883	298,416	152,866	6,801
TOTAL	$3,706,270	$2,498,472	$1,387,211	$44,234

*Includes Procurement, Depot Maintenance, and Redistribution

Component. Fielding forces with incompatible equipment systems compounds the support mission problems for the Total Army. In addition, incompatible equipment systems require additional repair parts and related equipment to sustain the fighting forces required to meet contingency plan requirements. Some progress is being made in having Army Reserve units included in the fielding plan for the new decentralized automated service support system. The $25 million initiative directed by the Congress to purchase equipment in FY 81 specifically for early deploying Army Reserve units, will provide improvement in the equipment status of some units.

FACILITIES—EQUIPPING WITH REAL PROPERTY

There are 1,053 Army Reserve Centers and 218 Maintenance Facilities, owned or leased by the Army for the Army Reserve. With the exception of two weeks during the year, these facilities are where the Reservists conduct most training and maintain equipment. Only 40 percent of the existing facilities are considered adequate. There are long range Military construction plans that provide for replacement of inadequate facilities, expansion of existing facilities to meet space requirements and replacement by government-owned facilities of those leased or donated buildings which are either inefficient to maintain or are not adequate to meet needs. During FY 81, three replacement Centers and one Maintenance facility will be constructed and eight Centers will be modernized and expanded. The budget request for FY 82 will permit the construction of two replacement Centers, three Maintenance facilities and the modernization and expansion of 15 existing Centers.

TRAINING THE FORCE

Training is one of the most important responsibilities of Army Reserve unit commanders. Effective mission-oriented training produces units capable of performing wartime missions. It also results in individual satisfaction leading to improved retention. To assist leaders at all levels, more effective methods of unit training have been developed which relate directly to wartime demands, such as the Battalion Training Management System.

The effectiveness of training and mobilization preparedness coordination is virtually dependent upon the ability of key personnel to be present at unit training sessions and command meetings to insure proper coordination and management. Reservist travel to training sites away from their home Reserve Center is also necessary if the skill attainment and enhancement necessary for mission success is to be accomplished. Consequently, adequate resources for travel must be funded.

The Army Training and Evaluation Program (ARTEP) and the Battalion Training Management System (BTMS) are proving to be successful in the Army Reserve. The ARTEP gives training managers an effective means for tailoring a training program to the specific requirements of the unit and assists unit commanders with diagnostic evaluations of training. BTMS is designed to train the trainers. It is founded on the premise that successful training programs begin with good planning. It prepares unit leaders through workshop-type training to plan and manage more effectively unit training assemblies. This type of training will continue in the future to sustain the level of competency of trainers achieved thus far. BTMS is expected to be fully implemented in the Army Reserve by the end of FY 81.

Army Reserve units participate in various major joint training and readiness exercises side-by-side with their Active Component counterparts. This training constitutes some of the most effective mission-oriented training in which an Army Reserve unit can be engaged. In FY 80 Army Reserve units were included in REFORGER, LOGEX, GALLANT EAGLE, and other Joint Readiness Exercises. These training exercises, which included tactical deployment to overseas locations in some cases, afforded Army Reserve units realistic training in performing their wartime mission. Additionally, they provided opportunities for Reserve units to test their mobilization plans and focused training on missions. Such training activities will be expanded in FY 81 and FY 82.

Deployment training is especially valuable in improving unit readiness. It allows Reserve units actually to deploy and perform missions expected of them in wartime. Through this program, Active and Reserve units train together in their wartime chain of command. As a result, the Reserve commander is better able to tailor a mission-oriented, year-around training program. In FY 80, elements of 55 Army Reserve units participated in deployment training. In FY 82, the budget supports participation by elements of 100 units in this valuable training. This program should be expanded so that one-third of Army Reserve high priority units participate in deployment training every year.

PROGRAMS INITIATED TO IMPROVE FORCE READINESS

Another significant program initiated to improve force readiness is the CAPSTONE program. Under the US Army Forces Command CAPSTONE program, every unit in the Army Reserve is being aligned with units in the Active or Reserve Component with which it is likely to be deployed or support in wartime. This will permit soldiers who may fight together to also train together. Planning and training relationships will focus on wartime missions for all combat and support units. The result of these associations will be improved mobilization planning and execution, and identification of wartime training requirements. At present, CAPSTONE describes a specific NATO contingency mission and wartime organization for every unit in the total peacetime force. As a result, the entire chain of command will know where each Reserve unit fits in support of Army NATO contingency plans. The net effect is expected to be enhanced readiness.

The Affiliation Program continues as a funded and directed program to improve the readiness of selected Reserve Component high priority combat and combat support units earmarked to support NATO. Affiliation of Army Reserve to Active Component units permits command and staff interaction between Army Reserve units and Active Component Mobile Training Teams, joint Active and Reserve command and training exercises, and Reserve use of Active equipment and facilities for training. This program provided CAPSTONE as a vehicle for improving the Army Reserve readiness and deployment posture.

VARIABLE TRAINING PROGRAMS ATTRACTIVE TO NEW RECRUITS

The initial active duty training (IADT) for non-prior service Army Reservists consists of instruction in common soldier tasks and basic technical skills. Although training is conducted by Active Component personnel, the Reservists' pay, allowances, subsistence, travel and clothing for that period are paid from the Reserve appropriation. With more success in recruiting young men and women without prior service, and the addition of one week of training, IADT costs have risen. Reflecting these factors, our FY 82 budget request of $85.3 million for IADT is an increase of 11 percent over the FY 81 level.

A variety of training options are being offered to make the Reserve program more attractive for non-prior service enlistees. Most Reservists choose the standard training program in which basic training is immediately followed by advanced individual training. Depending on the skill, they may be able to take advantage of one-station-unit-training which enables soldiers to complete training sooner. The split-training program, first initiated in June 1978, is unique to the Reserve Components. It is designed especially for seasonal workers and students so that they can enlist and receive basic training one year, go back to their school or employment, join the Army Reserve unit, and then return within one year for advanced training. This program has met with considerable success since implementation. It is estimated that approximately 30 percent of new enlistees will select this option. As a result of the flexibility provided by these programs coupled with the addition of a skills enlistment bonus authorized for split-training, we expect to attract greater number of participants.

There is also a special Reserve training option for individuals with civilian skills that have a military equivalent, the Civilian Acquired Skills Program (CASP). This program allows advanced grade on entry and the opportunity for accelerated promotion. Over the past three years, 13 percent of new enlistees have selected this program. It has had special appeal for women due to an abbreviated training period of three weeks. In FY 81 this three-week program was discontinued and all recruits enlisting under the CASP program are required to complete full basic training. The expanded employment of women requires that women entering the Army receive the same soldier skill training as males, including weapons and tactical training to be able to properly defend themselves and their units.

Army Reserve unit status reports for the last 18 months indicate improved readiness, especially in unit strength. Annual training reports for FY 80 also reflect an improved overall training status. The addition of full-time support personnel, military members dedicated to training of Army Reserve units, offers the greatest long-term potential for achieving such a major improvment in unit readiness.

MOBILIZING THE FORCE

Improvements in the mobilization capability of the Army Reserve are constantly sought. The most recent in a series of mobilization exercises, MOBEX 80, tested mobilization procedures, and surfaced issues that are being identified and reviewed to enhance mobilization capabilities. The Mobilization Personnel System (MOBPERS) was tested in MOBEX 80. MOBPERS is a system that prepositions information at mobilization stations during peacetime. The data are used to determine the personnel status of Army Reserve units scheduled to mobilize at the station. MOBPERS also maintains current requirements for each unit to bring it to wartime strength by individual skill and grade, and identifies unit and IRR skills that will be available at the station upon mobilization. Development of a standard automated personnel system for the Army Reserve (SIDPERS-USAR) and several support information systems are also underway. These systems will serve peacetime needs as well as providing required capacity to handle the massive data surge that will occur upon mobilization. Other mobilization actions include assigning mobilization planning responsibility to the Army Readiness Regions, and redesignating them as Army Readiness and Mobilization Regions (ARMR). This will permit decentralized mobilization management to nine geographically designated headquarters. Increased manpower for mobilization planning is being accomplished through establishment of long tour positions throughout the Army. A Mobilization and Plans Office has been established at the Office, Chief of Army Reserve to help integrate the increased mobilization planning and activities at all levels.

The timely and effective mobilization of the Army Reserve demands increased automated information systems and modern automated data processing equipment in the hands of Army Reserve units. One hundred six

(106) Army Reserve units are authorized some type of ADP, of which only five have computers for their use. Numerous Army Reserve units have virtually no computer support. US Army Forces Command is developing a comprehensive management information system concept which will support mobilization planning and execution for Army Reserve units.

CONCLUSION

The Army Reserve is proud of the accomplishments made in 1980. Major strides have been made in meeting the challenges to readiness of the Army Reserve presented by the all-volunteer era. Strength of the troop program units has continued to grow as the result of effective recruiting and retention programs. The monetary incentives have contributed to this growth as well as the dedicated officer and noncommissioned officer leadership throughout the entire Army Reserve chain of command to improve training and readiness. Improvements also are underway in the management of the Individual Ready Reserve. The FY 82 budget request of $1.6 billion builds upon these accomplishments by further improving the ability of the Army Reserve to organize, man, equip, train and mobilize in support of the Army's strategy of deterrence and to perform wartime missions.

We are confident that the programs requested in our FY 82 budget will enable the Army Reserve to continue the momentum we have gained in the past few years. The units and individuals of the Total Army in the Army Reserve structure will continue to make progress toward readiness goals given sufficient resources for personnel, equipment, training opportunities, and facilities.

Mr. Chairman, this concludes my Statement. I am prepared to answer your questions.

ADDENDUM

The FY 81 Supplemental and FY 82 Amendment to the FY 82 President's Budget provides for a modest increase in Army Reserve funding of $11.5 million in FY 81, and $55.5 million in FY 82.

The FY 81 Supplemental provides additional funds for Affiliation Training expansion, chemical defensive equipment, and other consumer funded supplies and equipment for RDF and early deploying units, and fuel rate increases. In addition, the expected additional increase in accessions of 2,800 non-prior service personnel projected by the US Army Recruiting Command is funded. Economies have been identified to offset some program increases. Revised projections of participation rates, conservative execution under the Continuing Resolution Authority during the first quarter, reduced office equipment purchase, and reductions in contracts and reduced non-mission-essential equipment purchases have allowed increased funding of readiness-related issues.

The FY 82 Amendment expands on the FY 81 Supplemental issues. It extends equipment purchases to cold weather clothing and repair parts for the RDF, and funds Consolidated Change Table equipment requirements an additional $12 million. Additional economies are identified by deferring non-critical programs and through a projected decrease in the overall inflation rate.

The Army Reserve increases are modest in comparison with the Total Army increases. Not addressed above are the Procurement Appropriation funds for major equipment end items and secondary items. Army Reserve RDF units and early deploying NATO units will benefit from Army-wide increased procurement, both directly and as rebuilt equipment is transferred from Active units to the Army Reserve.

Senator Jepsen. Thank you.

I would like to start exchanging some information, ideas and questions here. We have the momentum and a lot of things are happening on the up side.

ASSIGNING INDIVIDUALS TO THEIR SPECIALTY

We continue to receive complaints that military people who are trained to do a job in an occupational specialty, when assigned to the unit, large numbers actually work outside their specialty. What is being done to better balance what people are doing with what they have been trained to do?

I would like to read a letter I received from the parent of a young service member. I think the facts of the letter speak for themselves. I cannot think of a worse-case situation, but that is always the type we get here. But it is a little unbelievable:

> Dear Dad: It was wonderful to hear your voice last night and Gloria's was music also. With all you have on your minds, it was certainly generous of you both to listen to my complaints. In this letter I will try to give you the broadest view I can of my nearly four years in the Army and explain, hopefully, why I think my story must be told.
>
> As you remember, I joined the Army and went on to active duty on January 10, 1978. After basic training, I was sent to Monterey, California, to the Defense Language Institute. I was beginning a fast-paced hectic course in the Russian language that would last 47 weeks. After graduation and more schooling, I would be awarded a Military Occupational Specialty, MOS, or 98G. The title of the job was Signal Intelligence/Electronic Warfare Voice Interceptor. In addition to being awarded the MOS, I also had to have been investigated and cleared to handle classified information. While at the DLI, I was informed I had been cleared and now possessed a top security clearance.
>
> Enthused and excited, I dove into my studies. I loved the native Russian teachers at the DLI and I picked up the language rapidly. At times exhausted by the vast amount of material, I still maintained a good average and graduated from the LDI in March of 1979 on the Commandant's list within a grade point of 95.
>
> Then on to Goodfellow Air Force Base, San Angelo, Texas, for more training. At Goodfellow, we were trained to intercept the language over the radio, copy it down and transcribe it into English, then make sense of it, choosing what information was real intelligence and what was useless. In this course we dealt with a fairly large amount of classified information. I had a hard time with the course because it was very fast-paced, but I made it through to the end with a grade point average of 90. While at Goodfellow I got an assignment to the 415 ASA Company, Idar-Oberstein, West Germany. I was both elated and a little nervous about going.
>
> After another short course at Fort Devens, Massachusetts, on reporting formats in my job, I was awarded MOS 98G. I had spent, not including basic training, a total of 15 months in training for this job. The Army had spent thousands of dollars on my schooling and housing. The government trusts me with top secret information.
>
> That is why it was such a shock when I got to my unit in Germany and was told that most of my time would be spent in the motor pools working on vehicles. I was assigned to an electronic jamming team and an M577A1 Command Post Track. And my team chief had been right: when I was not in the motor pool, I was in our platoon office doing busywork.
>
> The program for language maintenance was painfully inadequate. When told to go down to the language lab, I would no sooner pick up a dictionary before I was called back to the motor pool to clean batteries or break down a jeep tire. My feelings of frustration and betrayal were great but I did love the track and met my husband-to-be. Those two things alone kept me going. We spent about two months a year total in the field where we performed our jamming mission. Sometimes we had a lot of work; other times we wondered why we had come to the field at all.

> After 2 years, I got an assignment to the 371st ASA Company, 1st Cavalry Division, Fort Hood, Texas. When I arrived on September 3rd, 1981, I was diverted to the 2nd Armored Division, Fort Hood, Texas. I was assigned to A Company in the 522nd Military Intelligence Battalion. This battalion has aviation assets in the form of a platoon with three FH-1H Huey helicopters outfitted with electronic interceptor and jamming systems in A Company. I was assigned to this so-called "Quick Fix" platoon as an operator of this equipment.

I will abbreviate here to move on, to expedite it.

> All efforts in the battalion were directed toward preparing for a field mission to Fort Irwin, California, scheduled to begin around October 26, 1981. We were told that the mission would last throughout November and that we would have eight to nine days of jamming time total.

It goes on to say:

> I am sitting at a field desk in the desert. It is my twenty-fourth day here. My platoon has had less than three hours of jamming time. Since I have been here, I spend my days throwing rocks at tin cans, reading books, flying in circles over the desert, and getting fuel and water for the platoon. My colleagues are doing the same. We expect to have no more than 12 more hours of jamming time.
>
> I talked to a colleague the other day who wanted until recently to become a career officer. This exercise has convinced him to get out of the Army as fast as he legally can. The sentiment is felt everywhere, feelings of disgust, futility, worthlessness. The Armed Forces wonder why they have a retention problem and think more money is the answer. Money is not the answer. As the saying goes in my platoon, I do not need more money, I need a job.

In conclusion:

> I am a sergeant in the U.S. Army. I am in a critically short MOS for which the Army will pay me $16,000 to reenlist for three more years. I have a top security clearance. The Army spent money on me and threw it away in a motor pool. I can no longer speak, read or understand Russian. Last year I took the Skill Qualification Test for my rank and MOS and scored a 31. Passing is 60. The feelings of shame and frustration I underwent are indescribable. And I have done nothing productive in four years. I want to know why we are wasting our time and American citizens' money on disasters such as field mission "Tiger Fight' at Fort Irwin, California.
>
> February 10, 1982, the Army will lose a motivated, enthusiastic, hardworking, if they allow me to work, soldier—myself. I think someone needs to investigate this matter and others like it to prevent this loss, this waste, this futility. Otherwise, the Army will lose its best if nothing is corrected and continue to waste time and precious money.

Well, I am not vouching for the total overall validity, having commanded units myself in the service. But this illustrates a point I would like to address, and that is the question again of what is being done to better balance what people are doing with what they have been trained to do.

SHORT-SKILLED MOS

Do you have any comment on that?

Mr. WALTERS. Mr. Chairman, the general thrust of the Army in the fiscal years 1982 and 1983 is to place people into short-skilled MOS through incentives and bonuses, as this young lady points out in her letter. General Thurman has spent a lot of time on that, and it is now proving to be quite effective. The short skill areas are beginning to fill up. We think the rest of the year will show even more progress as it goes along.

In terms of that letter, I can only tell you that for the record I would like to tell you that on a train from Heidelberg to West Berlin in November this year I had an intelligence specialist four on the train who was assigned to me as an interpreter, who wanted to go to OCS. Before I could get back and arrange for it, the Army had sent him to OCS.

So for every bad letter there are some good things happening in the Army. I would like to counterbalance that letter by something good that happened.

Senator JEPSEN. I wanted to get the thing on the table and begin talking about it.

General THURMAN. Let me comment on a couple of things. I arrived on the job on August 1 after 2 years in the recruiting business, and recruiting 98 Golfs, who are high-skilled youngsters, and we give them the training you outlined, all sounded right in terms of assignment utilization until we got to the point of duty in Europe, I guess, where we find that the youngster has not only the obligation to do his skill, but he also has to maintain his vehicle or whatever.

That part of mainteance on equipment is absolutely essential. Now, we are desperately short on noncommissioned officers, and when I look at the end of the 1981 results, we were only 2,650 short overall in the Army, which would be a passing number, but in the 98 Golf field, for example, we are about 15 to 20 percent short.

And I would suggest to you that that mirrors a problem that was outlined in that letter, and that is we do not have the front-line supervisor NCO down there to provide help and assist and train. We have the electronic warfare battalions that are not up to strength, and that is one of our critical endeavors, and we need that person to stick around with us to train other NCO's.

The fact that her language proficiency drops off is symptomatic of the fact that we have NCO and officer problems at the small unit level, and I do not deny it.

In the case of Fort Irwin, going up on full-time jamming or full-time interceptor, you can intercept, but you cannot jam full time. If you did that we would blank out a few people out there in that part of California. But I would say to you that we are training, that is the focus, and I think the Secretary can speak to that point.

The training emphasis is not all we need. We have to populate the force. We have done that at the accession level. We now have to populate at the noncommissioned officer level correctly in the skills that count if we are to have small unit leadership to do the leading of that particular kind of individual down there.

And General Meyer, as the chief, has really put the monkey on us to do NCO training this year, for exactly the reasons you outlined in that letter.

Senator JEPSEN. Senator Cohen?

EASING PHYSICAL STANDARDS

Senator COHEN. General Thurman, the GAO according to a report I recently read has suggested the services could get more high-quality recruits by easing their physical standards and by correcting minor physical problems after enlistment. And they said, for example, the Army could have taken on an extra 11,000 extra-quality recruits in the upper mental groups in 1980 alone if they had relaxed their weight standards. Apparently there is some correlation between obesity and intelligence, which is troublesome to me, since I am usually referred to as being much too thin.

Have you had a chance to look at that particular recommendation?

General THURMAN. Yes, I have, and that is a problem on the obesity side. My experience in the recruiting business has been that if you enlist a person for as much as 365 days downrange—in other words, we were enlisting last summer high school seniors to come in this coming summer—and making weight programs is absolutely important if you are going through rigorous basic training.

So I symphasize with the GAO. I respect what they said about that particular issue.

Senator COHEN. Do you think we should do that?

General THURMAN. I think we should tell the youngster, if he wants to serve in the Army, make the weight standards. It is interesting, the weight standards for entry are much higher—that is, you can be a balloon—than for staying on active duty. So we do compensate on the initial entry criteria to have higher weight tolerances than we do on continuous service in the Army.

But the trick in all of that is, if you take an overweight youngster and send him to the hot climates in Fort Jackson or Fort Leonard Wood in the summertime and put him on a rigorous physical fitness program, we are asking for trouble. So we have to tell them to make weight standards, and we now give a brochure at the recruiting office when the guy comes or gal comes in to enlist, that tells them how to get in shape before they go to basic training.

So I respect the fact that we need more smart people. We just have to trim them down before they get in or they will not pass basic training.

Senator COHEN. I agree with your assessment, General.

MILITARY REFORM CAUCUS

There has been a recommendation by a number of people on the Hill, loosely alined in what is called the military reform caucus, the much maligned military reform caucus. They suggested that PCS funding be reduced by 10 percent annually until the Army's turbulence is reduced to correspond to European army turbulence.

What is your assessment of that? Does the Army's turbulence rate compare to historical levels, and what is your reaction to such a proposal,

General THURMAN. Turbulence is a sizable problem in the Army. I would suggest that most European army units are in their homelands, so it is a red herring to compare them with us, an army 43-percent overseas in the aggregate.

Senator COHEN. There are some proposals to change that particular percentage. [Laughter.]

General THURMAN. That is beyond my pay grade, sir.

But the 43 percent we have overseas have to be replenished on some sort of an equitable relationship. So I do not see getting out, moving people to and from Europe, for example, in order to do that from an equitable standpoint. I would say, though that 50 percent of all of the turbulence in units is caused below the PCS level, and that is caused by a policy of promoting a soldier to a grade E–5 or E–6 and moving him to a position. So that destroys some of the cohesion in the unit.

The Chief of Staff has issued me very stern orders, and I am busy carrying them out, to increase the number of units—we have 20 cohort units already established—where the units will stay together for 3 years, including the accessions or recruits as well as the officers and noncommissioned officers. And we are getting ready to organize another 12 units this year.

So we are embarked on a process of rotating small units. Hopefully. We are experimenting. I was in a large unit rotation in 1955. It was abandoned because the Army personnel policies could not support it. That was Operation Gyroscope.

They have told me to go slow and carefully in order to get all of the personnel policies lined up so we can in fact keep units together for up to 6 years. So that is the new regimental system, the U.S. regimental system. We are working hard at it. We will try every combination and permutation we can so we do not do anything dumb.

ALL-VOLUNTEER FORCE

Senator COHEN. General, I am sure you saw the recent magazine pieces that were apparently based on a so-called top secret report quite critical of the All-Volunteer Force. I know as the former head of the Army Recruiting Command, you probably have some reactions to it if you have seen it.

If you have not, I will review some of the major provisions. But have you seen the Defense Department's rebuttal to that particular piece?

General THURMAN. You will have to clarify the piece for me, sir.

Senator COHEN. It was an item that appeared in Parade magazine.

Mr. WALTERS. I am familiar with the piece, but I have not seen the rebuttal. I know it has been rebutted. But I can tell you, Mr. Anderson's data is 2 years old.

Senator COHEN. Let us go down through a couple of items there so that we can clarify them for the record. The Department of Defense has said the average nonprior service accession in fiscal year 1981 had a ninth grade reading level, which is nearly two reading grades higher than fiscal year 1977. Is that correct?

Mr. WALTERS. The average?

Senator COHEN. Yes.

Mr. WALTERS. I will submit it for the record, but I believe it is correct.

Senator COHEN. Is it correct only 2.5 percent of all the Army's junior enlisted level people read below the fifth grade level, not 40 percent?

General THURMAN. We would have to furnish that for the record.

Mr. WALTERS. We will furnish it for the record.

Senator COHEN. Is it correct that less than five-tenths of 1 percent of all of the soliders read below the third grade level, not 23 percent?

General THURMAN. We would have to furnish that.

Senator COHEN. Is it true that fewer than 1 soldier in 500 lacks enough basic English to understand basic orders, and not one in 50?

General THURMAN. I would have to look at that series of allegations and answer them. I do not have them at my fingertips.

Senator Cohen. I will give you the balance of those questions and you can furnish them for the record.

[The material referred to follows:]

Parade Magazine Article

General Thurman. The reading level of the force has improved markedly since fiscal year 1977. In fiscal year 1981 the average Army non prior service accession had a ninth grade reading level with the DOD overall average of 9.7. This is an increase of nearly two reading grade levels since fiscal year 1977.

The correct percentage of junior enlisted personnel in grades E4 and below who read at a 5.5 grade level or below is 2.5 percent. Also, one half of one percent of the Army's soldiers read below the third grade level and fewer than one soldier in five hundred lack sufficient English language comprehension to clearly understand orders and instructions.

NATO COMPETITIONS

Senator Cohen. There has been significant critcism leveled at the Army's performance during the NATO competitions, such as the recent tank gunnery competition. In your collective opinion, if necessary, is that criticism still valid or have the Army teams made vast improvements in the competition?

Mr. Walters. It is amazing to me. As a private citizen 9 months ago, my perception was that the Army could not chew bubblegum and walk at the same time. From those kinds of allegations, we do not hear about the fact that the Army won a helicopter championship. We brought them back here and gave them awards for a nice job done, but it did not hit the paper.

We won the rifle competition in Europe this year. In the Canadian competition for tank gunnery, we came in second or third.

General Thurman. Third.

Mr. Walters. We are making great progress in that area, but you do not read about it nor do we hear about it. I guess it is all our fault. We have to do better in public affairs to put the good news on the streets.

General Thurman. We competed in nine in 1981 and won seven international competitions. Not bad.

Senator Cohen. General Berkman and General Walker, the article also said that all but one National Guard or Army Reserve combat unit were found unfit for fighting. No. 1, is it accurate? Two, what is the readiness today in the early days of mobilization?

General Walker. All but one what size unit? Are we talking about divisions? What are we talking about? That is a lot of units.

Senator Cohen. The way the article is written, it was all but one Army Reserve or National Guard combat unit.

NATIONAL GUARD COMBAT READY AND DEPLOYABLE

General Walker. I do not know what they are referring to. I am not familiar with the article. But let me point out a few things to you; 65 percent of our units in the National Guard are combat ready and deployable. And of the intensive manning force, which is the early deploying force, 75 percent of those are combat ready and deployable.

So I take exception to that statement as made. I really do not know exactly what the statement means, but I have reported to you the true facts.

General Berkman. And Senator, with respect to the Army Reserve units, the principal factors inhibiting readiness are personnel strength, and I have indicated that overall that strength is improving. MOS qualification of the individuals is another factor, but with resources for school and special training, as well as to support personnel strength, that is important.

And the other principal factor inhibiting readiness generally tends to be equipment on hand, and I have given you some indication of that problem area. So without having specifics I cannot respond in any more precision to the allegation.

EDUCATION AS INCENTIVE

Senator Cohen. We touched briefly on the question of education in terms of it being an incentive for the recruitment of individuals. It is also the assessment of some of us that education plays a very important role as far as those young men going into the Reserve and the Guard. I have offered a bill in the last couple of years dealing with the forgiveness of student loans.

It is interesting to me how little priority the DOD apparently places on this program. When I raised it during our last hearing—I believe the Navy Officials were testifying—most of them had not even heard of it. It seems to me that if you want to attract high quality individuals, one incentive might very well be the forgiveness of whatever student loans have been accumulated. And, yet, no one seems to know what the impact of the program is, or even seems to care. I do not understand that.

General Thurman. Let me speak to that, because I was the marketer of that as a 2-year guide to recruiting. First of all, it only had a 1-year provision on the Petri amendment.

Senator Cohen. That is all we can get through, 1 year at a time.

General Thurman. I understand that. We did include it, but the taker rate in the active component was very slim on that margin. I cannot say exactly how many we brought into the Reserve and Guard, but it ran out on the 30th of September. In other words, we had it effectively from January to September to work on marketing that.

Senator Cohen. It was extended 1 year.

General Thurman. And I am just saying, it is in our literature and each recruiter has the poop down there. You are dealing with college graduates or whatever, and I would say if a college graduate engineer, for example, is going to come in, most of them would opt to be a commissioned officer, and if he had not taken ROTC then he would be hard-pressed to get that. So perhaps there are some flaws in the program.

But I am one for extending that, along with the GI bill.

GI BILL

Senator Cohen. General, I appreciate your comment about the GI bill, and frankly I cannot reiterate too much how disappointed I am with the recommendation coming out of DOD to go with a super VEAP. I think we are making a mistake not supporting the GI bill.

General Thurman. Let me comment on one more thing. As you recall, there was a directive from the Department of Defense saying we would swallow that cost. The Ultra VEAP would cost us $200 million a year for full extension, about that. The money for the GI bill would cost—depending upon its provisions, both active and reserve, grandfathering, whether you have a two-tier at the reenlistment level, and contributions toward the transferability provisions and all of that, it would cost the Army between $400 million and $600 million a year.

So what I would say to you is, that is something which has to get programed in over the long haul. You cannot make that kind of switch as the budget is going to bed. That was a problem for us, and I would just say to you we must have an education incentive program or the Army will not make it in the accession market.

Senator COHEN. General?

LOAN REPAYMENT PROGRAM

General WALKER. Yes, sir. You mentioned this in connection with the loan repayment program. At this point I do not feel that in the National Guard that program has really been given a fair chance. We have been on and off, on and off.

But I call to your attention, sir, something mentioned earlier, and that is the educational system, the incentive program, where it was increased from $2,000 to $4,000. When it was at $2,000 in 1 year, I ran into the National Guard 222 contracts. The following year, the figures I recall, we increased by 390 percent in acceptance of contracts for the educational assistance.

Education is the big seller, there is no doubt about it. ,

Senator COHEN. I agree with you. That is why we are pushing the educational bill up here, because we think it would have a major impact on some of the problems that have afflicted not only the Army, but all of the branches of service.

Mr. WALTERS. Senator, may I make a brief comment if I may?

Senator COHEN. Yes.

SUPPORT OF DEFENSE

Mr. WALTERS. If I may make a brief comment in support of defense.

Senator COHEN. We all support defense.

Mr. WALTERS. I sit on the interagency working group for the Manpower Task Force. If you have the Army, Navy, Air Force, and Marine Corps talking about educational benefits you are talking about a different benefit for each service, the one best tailored to meet their needs. So they had an awesome task trying to calculate what would be the best educational benefit to fit all services.

We frankly ran out of time trying to determine just what that would be. I know Mr. Korb and the Department of Defense are still interested in the GI bill. I think they have testified to that, and I think they want to work out——

Senator COHEN. It is a much more tepid interest this year than last year.

Mr. WALTERS. I am sure it is, but I think those are some of the reasons.

General BERKMAN. Senator, with respect to the educational assistance program in the Army Reserve, you would be interested to know there were 1,200 takers in fiscal year 1981. And I too support the educational incentives that will encourage membership and participation in the Army Reserve for individuals proceeding beyond high school in formal education.

I also would like to say, however, that a mix of these incentives is very desirable, and I do not want to denigrate the enlistment and reenlistment bonuses for high school graduates who are not pursuing a college program. So from the standpoint of attracting the kind of people we need into the Army Reserve, this mix of incentives is very important.

GI BILL

General THURMAN. Could I add one other comment about the GI bill? It has to do with the expiration in 1989.

Senator COHEN. As you recall, the Senate last year indicated we do not want that delimitation date. We want it extended.

General THURMAN. That is the reason I am tabling it. I made a calculation yesterday, and, of course, we are talking about all of the people who came into the service before 1976, so we are talking about experienced noncommissioned officers who hold that entitlement. And a hasty calculation, subject to a complete audit, is 175,000 to 200,000 people in the Army are entitled to that, and they are now at their 7th year of service and beyond, up until 1989, where they will have 13 years of service and more. So that is right in the guts of the NCO Corps.

Senator COHEN. Yes, that is the critical turning point as far as the people we have been losing. If we allow it to expire at that time, it is a good incentive for them to leave at that point.

We placed some quality constraints, as you know, on the Army and all branches last year. Will you be able to meet your recruiting goals in fiscal years 1982 and 1983 with those quality constraints?

Mr. WALTERS. I feel very strongly about their quality constraint goals. The Army is thankful to the Congress, frankly, for putting those on us. They created objectives which the Army is able to meet. We have gone into the recruiting market, thanks to General Thurman's good work in the last year and a half and we have been able to attain those goals and meet and beat them for the most part. And we are bullish about fiscal years 1982 and 1983.

Senator COHEN. What if we continue the quality constraints but freeze the pay? In other words, we do not go an 8-percent increase in pay. What happens to your assessment about the prospects of reaching your goals at that point?

Mr. WALTERS. I think they would diminish considerably.

General THURMAN. Are you talking about forever, a 1-year moratorium, or what?

Senator COHEN. Let us suppose we just have a freeze. There is one proposal in the Congress to freeze existing programs. I assume that would include freezing defense spending, which I assume would not only include weapons systems, but manpower as well, as far as pay and reenlistment bonuses.

If we keep the constraints but freeze the pay, what does that do?

General THURMAN. Keep the constraints and freeze the pay will cause to occur what happened in the years 1976 through 1980, when we took a dive because we did not maintain pay comparability. And I would suggest that pay comparability is essential, particularly in the noncommissioned officers line.

With respect to accessions, if you are interested in a couple pieces of data, I might tell you that you have us at a 65-percent constraint this year for high school graduates. We are currently running 83 percent for all of those brought in and due to come in. That is, our contracted as well as our accessions, both male and female.

You asked us to achieve a 25-percent mental category IV and we are now at 18 percent.

Senator COHEN. That is 25 percent fiscal year 1982, and next year it is 20.

General THURMAN. So I am saying to you, I believe we can hit the 20 percent mark, given that conditions continue. What are conditions? Comparable pay, the education incentive I described, in whatever form it takes. So I am bullish about the recruiting aspects of that.

Senator COHEN. We also run the risk, as we assumed that risk back to 1976 or 1977 when we cut back on the recruitment budget. In other words, you are coming in here, you say, we are doing so well, we have 400,000 this year, business is booming. And you know what will happen? They will say, you are doing so well it is time to cut some of that advertising funding.

General WALKER. Yes, sir, that is exactly what I am afraid of. But you know, once you get your momentum—it takes a lot to get momentum, but it takes just as much to keep it. And we have got to remember that.

Mr. WALTERS. It is the only place in the world I have ever been, where success is not rewarded. I believe with the success the Army has had, working to the detriment of that success in fiscal year 1983, where we are predicting an economy that would be improving, which would not help the recruiting market for the Army, a recruiting budget cut would be an extremely bad thing to do.

MILITARY/CIVILIAN PAY GAP

Senator COHEN. Mr. Walters, according to this month's "Armed Forces Journal," the gap between military and DOD civilian annual incomes will have closed from $5.353 in fiscal year 1981 to $3,297 in fiscal year 1983. Again, that assumes military pay will be increased by about 8 percent, as the administration has requested, in fiscal year 1983, while civilian pay hikes are proposed to stay at 5 percent.

Two questions occur. Are the numbers cited by the "Armed Forces Journal" correct in terms of the pay gap that exists? And what will be the impact, again, if we were to freeze pay in fiscal year 1983?

Mr. WALTERS. The impact of freezing pay is the same as I just got through stating for the record. The exact numbers I am not familiar with. I would have to submit those for the record, unless General Thurman has them.

General THURMAN. The 8 percent and the 5 percent are correct. The dollar values I am not sure of.

RECRUITING HIGH QUALITY RECRUITS

Senator COHEN. General Thurman or Secretary Walters, Secretary Korb, in a statement I received this morning, uses as a justification for proceeding with the DOD's approach the argument that the Army—and I am quoting now:

> Which has historically had the most difficult time recruiting high quality recruits, increased the percentage of those scoring in categories I through III on the AFQT test from 50 percent of its fiscal year 1980 recruits to 60 percent of its fiscal year 1981 recruits.

Since in fiscal year 1982 and beyond the Army will be required to have, as you have indicated, no more than 25 percent in that category IV, and then ultimately 20 percent, is it a fact that the Army has improved its record, only having 40 percent in category IV? Is that a valid argument, in your assessment, for moving in the direction DOD wants to go?

General THURMAN. We took 31 percent in mental category IV in 1981. In 1980 we took 52 percent mental category IV, based upon the renorming of the test. We got the authority to run those four different educational tests in 1981. We were able to reduce mental category IV contact to 31 percent on the glide path to hit 23 percent this year, in order to come out on the low end of the 25 percent constraint and then drop down to 20 percent next year.

Fortuitously, the Ultra VEAP with kicker is attracting a substantial increase in upper middle mental category youngsters. So the number we are recruiting now is tracking about 18 percent category IV. The National Guard is only at 15 percent and the Reserve at 17.7 percent category IV.

So the total Army is coming within those constraints, although the Reserves are not under a legislative constraint. But the fact is, the educational incentive we have now nationwide is working.

Would I rather see it replaced? Yes.

EQUIPMENT SHORTAGE

Senator COHEN. In answer to a question I submitted for the record February 10, Secretary Marsh indicated: "Equipment, both shortages and lack of modernization, is the greatest weakness in the total force." He indicated that that weakness is not unique to the Reserve components, but it is more pronounced there because of their lower priority associated with their later deployment and missions.

As you have indicated before, this committee has made some efforts to address this problem, but we recognize more needs to be done. So, I wonder if you could tell us, what units, what equipment are most in need of attention by the Reserve and Guard. And with the shortfalls that currently exist, what would be the sustainability of those units with these critical shortages?

General WALKER. Do you want me to elaborate on that now or do it for the record?

Senator COHEN. You can do it for the record. You may respond briefly to it now.

General WALKER. Let me for the record give you this. As I said earlier, our No. 1 problem today is equipment in the National Guard, the same as it is the Active Army's No. 1 problem. So I would have to report to you this morning, sir, that we have only 69 percent of our wartime equipment and 78 percent of what we are authorized in peacetime.

Now, we are making progress. Of course, we have training equipment out there. But the path we are on, the resources that the Active Army has given us, the resources that you the Congress have given the Guard, enables us to make progress. We are a long way from the goal, but we are making progress.

The exact information you have asked I will submit for the record.

[The information follows:]

At present, the Army National Guard (ARNG) has less than 70 percent of the wartime required equipment. The focus of equipment fill is on the ARNG early deploying units with the impact of the shortage being on the sustainability of the late deploying units. Examples of types of equipment for which shortages exist in all units include artillery, trucks, tracked vehicles, and communications equipment. Later deploying units also have shortfalls in air defense systems.

Understand that many systems present in the ARNG are not modern, fully capable systems comparable to those found in the Active Component and would in many cases be more difficult to sustain in combat.

General BERKMAN. I might say, sir, there are two categories of equipment. One is the stock funded equipment that is paid for from Army Reserve appropriations, and as a result of increases in 1982 and the budget request in 1983 we will have, of that stock funded equipment compared to current authorized requirements, approximately 86 percent of that equipment, leaving an approximately $70 million shortage. That kind of equipment is clothing, individual equipment, tool sets, repair parts, chemical defensive equipment, cold weather clothing and equipment like that.

The major items of Army Reserve equipment are procured by the Active component as against the total Army requirements. Generally, in that appropriation specific dollar amounts are not earmarked for reserve equipment. There have been exceptions to that in 1982, where $182 million was earmarked for major end items to support the Army Reserve units that are a part of the Army's Rapid Deployment Force.

And in addition there was a $34.75 million addition by Congress in the major end item procurement appropriation earmarked for the Army Reserve. So the equipment posture is improving. As I indicated, it still remains a serious problem, and I would be pleased to provide further information for the record.

[The information follows:]

USAR/ARNG MANNING LEVELS

As of September 1981, the USAR had on hand $1.8 billion worth of equipment against a peacetime authorized level of $2.9 billion. The cost data are based upon catalog prices from SB 700–20 as of September 30, 1981, and do not necessarily reflect procurement costs. Put in percentages, the USAR has 63 percent by dollar value of the peacetime authorized equipment on hand. Measured against wartime requirements, our posture is 33 percent by dollar value of our wartime required equipment level. This does not consider the M1 tank which is reflected in our authorization documents but which we realistically cannot expect to receive for several years. Presently M60 tanks, which is an authorized substitute for the M1, are in our inventory and would be deployed in case of mobilization.

NO LACK OF PATRIOTISM

Senator COHEN. General, I will continue this until the chairman comes back, in a bit of a filibuster here. But I want to take this opportunity to commend you for a job being done. And I happened to agree with you, Mr. Secretary, that we do not talk about our successes enough. It has been frustrating for me, as well as other members of this committee and Congress, to deal with the charges that are constantly leveled at those in the uniformed services.

As I indicated, time and again we hear charges that the services are disproportionately black. The implication is that those who are black are somehow intellectually inferior, even though the blacks coming into the military service have a higher percentage of high school graduates than the whites. So there is an underlying racist tone to the suggestion.

Then there has been the charge that they have been too dumb, they cannot carry out the mission, not enough high school graduates, too many category IV's. If we take measures to correct all of that and are successful in correcting all of that, the next charge that comes up is, it is un-American to have a professional army. That is the latest charge we have.

I have been trying to say it over and over in as many different forums as I can that I do not find any lack of patriotism in today's military service men or women. I think they are as highly patriotic as at any time in the history of this country. And we do a great disservice to those who are serving us by saying that because they are being compensated at a level at which they can sustain themselves and have a future for their families, that somehow they are lacking in patriotism. And I just do not believe that.

AMERICANS OVERSEAS

A different question, however, regards force levels, we are talking about, about how many people we should have overseas. That will be an issue which will be debated, if not this year then next year and the years to come. The fact of the matter is that this country will have great difficulty in continuing to get the support of the American people to sustain defense spending at the levels at which we must currently spend to defend those areas we have defined as being in our national interest.

Right now a debate has started within our own committee as to whether or not we have enough capability, even with President Reagan's budget, to carry out the missions that have been assigned in our services. I have difficulty, for example, looking at our global commitment—look at Asia.

How many troops do we have, General, in South Korea?

General THURMAN. It is less than 40,000. I think the number is 36,000. I would have to correct that for the record, but I think it is about 36,000 total.

[The information follows:]

NUMBER OF SOLDIERS IN KOREA

The actual number of Army soldiers in Korea at the end of fiscal year 1981 was 29,703.

GLOBAL RESPONSIBILITIES

Senator COHEN. But, since the Korean war, we have had a substantial commitment to maintain the freedom of South Korea. And we have China, whom we recognize and are carrying out trade with; they refuse to recognize the legitimacy of South Korea. We have Japan, an ally, that continues to do business with North Korea.

There will be pressures in the future as to what our global responsibilities are. Can we afford to carry out all of these missions? Can we afford to defend the Persian Gulf by ourselves with little if any help from our allies, when it is in their interest more than ours to keep the Persian Gulf open. So, I think we will go through that reevaluation process during the coming decade, and I think it is an important one.

Not that we do it in the sense of being punitive. I must tell you, before I yield to you, gentlemen, I saw something in Newsweek magazine this week which surprised me a little bit. There was a quote attributed to me in connection with the Yamal pipeline. I made some statement that there was a mood in Congress that we were going to take Mike Mansfield's portrait out of the Mansfield room and parade it down the center aisle of the Senate at some future time.

And, of course, the statement was made several months ago in connection with, if Europe rejected TNF, what I thought the mood of the Senate might be. It happened to end up associated with building the gas pipeline. But I suppose that is something each of us has to live with, a quote in the file that can be pulled out and put into a different issue where it fits nicely and sounds good. Those of us who like to engage in rhetorical flourishes incur that appetite a bit.

I think it is an issue we must confront. Those of us associated with this whole reform movement have come to the conclusion that we simply cannot add more and more and get less and less in the way of capability if we have an ever-increasing, dangerous world. And it surely, in view of the Soviet buildup, is that, by virtue of the fact that we have had less than a cohesive front on the part of our alliance and assessing the nature of the threats that confront us and what kind of contributions each of us must make.

I do not think there has been an equitable sharing of burden. I do not believe that is the case. I am not talking about equality. We are talking about equity. I think we make a disproportionate contribution to this global interest.

I was at a conference in Germany recently and I had the defense minister of Germany say, we are pleased to see the United States once again assume a global leadership role, we welcome that and we are pleased to see the creation of the Rapid Deployment Force, provided it does not upset the balance of forces in Europe.

Well, you know and I know we cannot have a Rapid Deployment Force, not an effective one, which is currently designed to go to many different places in the globe, which is also targeted for the reinforcement of Europe. We must have a realinement of the force structure if we are to have a credible one, in my assessment.

This is not your bailiwick, but I am just pointing out that I think this is the debate that will come in the future, as far as whether or not we can afford to assume all of these global responsibilities with virtually no help from our allies beyond their own narrow geographical areas. I do not believe that to be the case.

Now that my filibuster is over, Mr. Chairman, you may have the floor. I am sorry. General Walker?

PATRIOTISM

General **Walker**. Sir, I just wanted to support something you said there, and that is about patriotism. If you will examine our turnaround in strength, it started when we had the hostage crisis and Afghanistan. That is when it turned around.

As I go across this Nation, I will tell you one thing: They are just as patriotic now as they were when I was growing up. All we need to do is exploit it a little bit.

Senator **Cohen**. Can I add something to that? When I look at the discipline problems or the indiscipline problems you had, they are far fewer now than they were 10 years ago. You have more reenlistments, you have fewer AWOL's, you have fewer discipline problems today than you have had in the past.

And I think that is an indication of a change in attitude and the fact that people take pride once again in wearing the uniform.

General **Walker**. It is alive and kicking. We just want to exploit it.

ENHANCING TRAINING PROGRAM OF THE SERVICES

Senator **Jepsen**. The Secretary of Defense reports several initiatives are underway to enhance the training program of the services, because training is a necessary prerequisite to improved readiness. In recent years much has been published about training weaknesses. I would like to address several questions to the training of military forces, and whoever wants to respond to it may do so.

The GAO just reported that the Army expanded basic training from 7 to 8 weeks, but has not provided the necessary number of qualified trainers to operate the new training program. Assuming that is correct—it is, we might say, an outside report—assuming it is correct, how can the Army expect to significantly improve the training of the new recruits without providing necessary qualified trainers?

Mr. **Walters**. That report requires an answer by the Army on March 31, 1982, and it is being prepared now. I cannot tell you. The Army has been restricted in its training base requirements from 1976 to 1980. The training base resources were decreased, not increased, and as a result the Army suffered in its training base.

General Meyer in late 1980 and early 1981, after extending basic training decided to help resource that problem. Some 1,200 trainers were put in the training base to help accommodate basic training expansion. There are still shortages in the training base and the full report will be issued to the Congress on March 31.

General **Thurman**. I would like to piggyback on that, sir. I was at Fort Dix, N.J., which is one of our major training centers, a week ago and in the additional week of training from 7 to 8 weeks there are 2 additional days of marksmanship training, 1 additional day of map reading, 1 day of chemical training, which was not previously in there, and 1 additional day of communications training.

Now, the mark by which we run the training system is on critical tasks being taught to competency by the individual, and previously under the 7-week routine there were 17 of those critical tasks, and under the 8-week routine there are 40 of them.

It is interesting to note who is picking up the slack. It is, the outstanding drill sergeant in the U.S. Army training centers who is doing that with a cadre. I was up there on a Saturday and it was a full workday.

What we are compensating for is we are compensating for the shortage. Although we put 1,200 additional noncommissioned officers in the training centers, we are accomplishing the job with hard work, by gallant people fighting the battle up there. So we are getting something out of it and I hope we can satisfactorily answer that criticism.

Senator **Jepsen**. Another quick question with regard to training. Under the current force structure of the Army Reserves, the Army provides a significant portion of the combat service support and combat support units. The major objective of the Capstone program is to facilitate joint training exercises involving Active and Reserve units designated to fight together upon mobilization.

During 1981 how many of the approximately 6,500 Guardsmen and Reserve units were involved in joint training with their active duty counterparts?

General **Walker**. I can report for the Army National Guard, sir. The Army National Guard participated in 1981 in 7 exercises, about 75 units or cells of units.

Senator **Jepsen**. Would you repeat that and explain to me? I do not know what that means. Compared to what, out of how many?

General **Walker**. Well, out of—I am not sure myself now what size units we are talking about here. But if you put total units out there, this is a very small portion of it. This has got to be considered, that these probably were the headquarters mainly. In many cases they were full battalions which we had in the field with Active Army units—working side-by-side with them.

But the main thing on the cells, these would be the headquarters cells that would be out there in the unit or in the field running problems right with the Active armed services. There were 7 exercises and 75 units of cells.

General **Berkman**. With respect to the Army Reserve, there are approximately 3,200 Army Reserve units in the structure. Of those, about 139 units participated in readiness exercises or field training exercises or command post exercises with the active component, in exercises such as REFORGER, LOGEX, and some of the joint readiness exercises.

CAPSTONE

I might say that approximately 95 percent of the Army Reserve units have some association with Active component units under the Capstone program, and that is influencing their training. And hopefully, as Capstone develops and gets implemented, there will be even more participation and training with those associated units.

There are another 147 units that have a formal affiliation with Active component units or a partnership relationship with Active component units that benefit from training assistance and participation. But the Capstone program has great potential and it is proving very beneficial, and it is something that needs to be further implemented and resourced.

Senator **Jepsen**. It seems to be logically the ideal, when you are talking about readiness and so on, if they are going to be truly integrated, as General Thurman in his formal remarks on page 7 says—

he gives us a graph talking about Army National Guard and Army Reserve and how they fit, and it shows the Army National Guard in fiscal year 1982 with 8 combat divisions, 4 roundout brigades, 18 separate combat brigades, 4 armored combat regiments, and so on, and that relates to active duty.

We could really all get that together and make a train together and move in that direction.

Mr. Secretary, is there—what priority by way of training plans is given the Active and Reserve components training together?

Mr. **Walters**. General Walker can specify that, but the system to handle that is similar to the distribution of equipment on the Department of the Army master priority list. Those who deploy earliest will get the earliest training under normal conditions.

You might want to comment on that.

General **Walker**. Yes, sir. That is exactly right, sir. We try to send to these exercises—and by the way, the figures I gave you a while ago were strictly the questions you asked me, how many exercises were they in. There were many, many more exercises that are not exercises, but joint training efforts with the Active Army we have participated in, like the deployment training.

But in answer to this question, we try to send first to these exercises the earliest deployed units that will work with their Capstone countterparts, and that is the whole concept. The early ones—just like equipment, the first unit to fight is the first unit to be equipped. So we try to exercise these early deploys in the same concept.

Senator **Jepsen**. Have you had an airlift of your people and the total picture involved in these exercises?

General **Walker**. Yes, sir.

Mr. **Walters**. Senator, I might urge you, when you have some spare time, which I am sure you have little of, to visit the 310 TAACOM unit, a Reserve unit close to Fort Belvoir. It is an excellent unit which employs a European war scenario and does that every summer. They have a significantly good training program and are a high-morale group. They are right down the road and you might want to spend half a day with them and have them tell you what they are doing.

General **Thurman**. The contact is more than the exercise. For example, the division artillery commander of the 82d airborne division happens to be at Fort Indiantown Gap with a unit that is going through its annual training. Not in the summertime; it is going through it in the wintertime. And they are up there the whole 2-week period. So the contacts are not just on the exercises.

There are a lot of routine ordinary everyday training. There are contacts between the Active component and the Reserve.

General **Berkman**. Another example is the relationship of the 103d COSCOM, headquartered in Iowa, and its Capstone organization and unit. The support group commander from Europe is bringing people back to participate in the 103d's exercise this summer, and that is another example of the kind of continuing relationship Capstone provides.

But I must say again that the Capstone program is being accomplished and implemented out of the resources that have been customarily provided for training to the Reserve components, and personally I feel that that needs further resourcing.

Mr. **Walters**. Sir, we must remember that under Capstone every unit has a wartime mission. Every unit is generally tied to a gaining command. As such, most every time they train, there is interface between the Active Army unit and the Reserve component unit. It has gotten to be a real team out there.

Senator **Jepsen**. Thank you.

ROTC SCHOLARSHIPS

I will defer to Senator Exon here, who has joined us. Mr. Secretary. You talked about ROTC scholarships. It was brought up earlier you are asking us for 3,500 additional scholarships compared to the 1,314 the Army now has. I feel strongly for that program for many reasons, not the least of which is we need the presence on every college campus so that our young people understand how important the military is. You know the reasons why, you helped get our own university on the right track last year so that once again the men and women in uniform can carry the colors of our country. I think we need all of these ROTC units on all of the campuses we can get, and I am very supportive of that program.

Senator Exon?

Senator **Exon**. Thank you, Mr. Chairman.

GI BILL

Gentlemen, welcome. I have just a few questions which I would like to ask for clarification and for my information as we continue to plan ahead regarding our manpower difficulties that we continue to face. First, I would like to say that I have been advised of the testimony of Dr. Korb today on the other side of the Hill. I understand there has been some discussion here of the reported GI bill.

Speaking for this Senator, I can only say that I concur in the attitude of the administration on this matter. I do not rule the GI bill out of hand on its face, but I have not seen one that I have yet been convinced would basically address the problems we are having, hopefully at somewhat of a decreasing degree, with regard to meeting the quality and the manpower needs we have.

As far as the Army is concerned, I have always been skeptical that an across-the-board GI bill would not be particularly helpful to the Army and the Army might find themselves right back in the place where they are now, where you would be receiving the least help from a major expenditure of money.

Therefore, I think we should go a little slow on the GI bill, and I think there are some who feel that this is a very popular bill. It has a good ring to it, because the GI bill was a good one after the last war. I would simply point out once again that that bill was an "after the-fact" bill, basically to reward those who had made sacrifices in service to their country.

We have not yet devised a scheme whereby I believe a GI bill would be as productive for the Nation as we would like it to be. So at least there is one here who feels you are probably on the right track in that area.

I would like to go into the results you are receiving from last year's pay bill. We have heard a lot of good things about it. We have asked other services as to how it has been received and whether or not the targeting that was a central part of that bill has been successful—not only in the retention of noncommissioned officers, but second, what your experience has been with attracting those who have retired back into the service so that we could take advantage of their skills and the significant contribution I think they can make in the short and long term. Mr. Secretary?

Mr. WALTERS. Senator, on the matter of the prior service people who want to come back into the service, we have elected not to take all of those people back in the Active Army in order to maintain its end strength. We have diverted them to the Army Reserve and the National Guard who are now enjoying themselves with those men and women in service. So that has worked out very well.

General Thurman, you may want to make some comments.

General THURMAN. Let me comment on a couple of things. First of all, I indicated in my original remarks, and I want to reiterate, we appreciate your support both on the pay raises and the entitlements, the variable housing allowance, for example, which has really made a significant difference in our ability to retain people.

We are running comfortably at the instant at about 109 percent of our reenlistments. We are projecting 85,000 for the year. We do have the selective reenlistment bonus. Last year or in this current bill, the Congress said pay only half of that up front and the rest down range. So far that appears to be working.

It went into effect on the 15th day of January. We are closely monitoring that. As of the end of January, we are running 109 percent of our reenlistment rate. We have jacked up the reenlistment standards. The Guard and Reserve are both running at 105 or 106 percent or thereabouts in the reenlistment business. That is going reasonably well.

We just have to monitor the selective reenlistment bonus 50-percent payment down range to see if it has a measurable effect or not.

On the second point, on prior service, our goal for this year was 10,000 of those, and as of the 8th of March we had recruited 8,800 of that 10,000. So as we use up that quota of 10,000 we will then put prior service into delayed entry programs for the Active component.

And happily, in the Reserve the prior service is about 2,000 over the mark. Two thousand more people have gone into the Reserves than we had anticipated at this time of year. And in the case of the Guard we are at about 1,000. So the answer to your question is, prior service is going very well.

REENLISTMENT STANDARDS

But we have jacked up the reenlistment standards. In other words, with your help we jacked up the enlistment standard starting 1980 and 1981, and in that line we brought our reenlistment standards in line with our accession standards. So we are doing reasonably well.

But we must not forget that some of that is due to the economic conditions that prevail.

Senator EXON. Regardless of the combination of reasons, it seems to be working, general?

General **Thurman**. Perfect, and I would ask your continued support for that program.

Mr. **Walters**. Senator, I might add, because your committee supported the targeted pay raise, that when I was in Korea with the sergeant major of the 8th Army, a very mean, strong, tall-looking fellow, having breakfast, I indicated to him that many people felt we should just have an across-the-board pay raise. And he looked to me rather strangely as if he wanted to know if that proposal came from me. I said, of course that is not me. [Laughter.]

I can report to you, that after having had some later conversation with Sergeant Major Martane, he is very pleased.

Senator **Exon**. I take it, Mr. Secretary, you approached him somewhat differently the second time around.

Mr. **Walters**. That is correct, yes, sir.

Senator **Jepsen**. We needed him for the battle last year.

Senator **Exon**. Yes, we did.

General Walker, would you care to comment?

RETENTION RATES UP

General **Walker**. Sir, there is no doubt about it. As we have said prior to your getting here, the success we have had this year—I have reported we have topped the 400,000 mark in the National Guard. Retention is up, recruiting is booming, drill attendance is up. I guess the whole thing says, the best part-time job in America, the Guard—something is making it happen, and I cannot help but think that that pay had something to do with it.

General **Berkman**. I guess I would only quarrel with my colleague about the best part-time job in America being the Guard. [Laughter.]

I think the support that has been received from this committee and Congress is obviously making an impact on the strength improvement in the Army Reserve as well, and retention is a major factor in that. And that means not only is the satisfaction of the training and the activities that a reservist is engaged in, but also the incentive, the support, the monetary support, the pay, that is provided. All of these things are working to the benefit of the Reserves.

Senator **Exon**. As you know, the Navy has been on a pretty aggressive program by sending out letters and making recruitment efforts aimed at those who have left the service who have special skills, particularly those who want to return. Your answer to my question was general and the question was of a general nature. I am just wondering, Mr. Secretary, whether or not the Army has gone through any selection process, getting back in any people with special skills that you might need, and whether or not the similar Navy pursuit would be—have you followed it or would it be a good one to follow, perhaps?

Mr. **Walters**. I am not in the habit of following the Navy. I think the Army might have been ahead on this. We have been soliciting prior service people for some time now under General Thurman's tutelage. He can answer the question more specifically.

Senator **Exon**. Thank you.

General **Thurman**. The answer is, we do target specifically. We take the prior service lists and we display them by their MOS, and the people that we are critically short of we send an inquiry about coming back in on critically short skills.

Senator Exon. Are you getting them back, General, to your satisfaction?

General Thurman. I have not filled up all of my critical skills yet, so I have not gotten them back to my total satisfaction. But I would say to you the recruiting command is targeted on the critical skills and we are getting some of those people back in, because we are exceeding our goals right now for this particular milestone point.

INDIVIDUAL READY RESERVE

Senator Exon. Good. One last question with regard to the Individual Ready Reserve, Mr. Chairman.

Mr. Secretary, according to the testimony from General Tice to this committee, the lack of trained manpower available to the Army in fiscal year 1983 will still be about 150,000 or 8 percent short of the Army's requirement for mobilization. What specific initiative do you have to increase the strength of the Individual Ready Reserve in this year's budget, and when will this shortage likely be eliminated according to your planning?

Mr. Walters. Senator, the Individual Ready Reserve has been a pet project of mine since I came here, since it seemed to be a moving target in that the number of shortages can expand or contract depending upon whom you are talking with. But assuming these numbers are correct, we can tell you that it is—it would be derelict for this Congress and this administration not to propose legislation to extend the military service obligation from 6 to 8 years for those who are entering the service now, so that 6 years from today we do not face the problem we are looking at now, and that is a long-term solution, something I think we must do.

The Army has taken upon itself and does not require legislation to put a service obligation on reenlistment contracts. So there is a 2-year IRR service reenlistment if the man chooses to leave the service after his reenlistment contract. These are all long-term solutions, but are solutions to the problem.

RECALL PROGRAMS

We have retiree recall programs which are going into effect now. Retirees are getting letters indicating where they might go in terms of mobilization. This will reduce the shortfall as well. There are many other programs and projects going on at the Reserve Component Personnel and Administration Center (RCPAC) now to locate and bring the percentage of people on the rolls that will report in mobilization up from 70 percent, which is the current percentage we use to indicate the success of IRR reporting, to bring it up to 90 percent on a locator basis.

General Thurman, you may want to add to that.

Senator Exon. General?

General Thurman. The best way to take care of the shortage in the Individual Ready Reserve—and we have provided for some of that in this budget—is to fill up the National Guard and the U.S. Army Reserve as fast as we can, because——

Senator **Exon.** I am delighted to hear you say that.

General **Thurman.** And that is a feature of this budget, because those shortages are part of the calculation that goes to determine how many folks we have to cough up in the Individual Ready Reserve.

The other side of that is that we would prefer for people to come in and serve in a unit where they not only learn their individual skills, but come into the Reserve and Guard so that they learn their collective or unit skills as well. So we have a major push, and happily Mickey Walker is running over his budget at 400,000 in the Guard, and we are making a move on it. So we must resource the Guard, and the Reserve to bring on as many folks as will sign up.

General **Berkman.** In addition, there are resources in the Reserve budget proposal to support a direct enlistment program into the Individual Ready Reserve. It supports additional recruiters, training, and trainee pay. That is anticipated to increase the strength of the IRR in 1983 by 5,000.

Senator **Exon.** Thank you.

General Walker, do you have anything to add?

General **Walker.** I have a variation of the IRR. We have what we call Inactive National Guard. This is a former member of a guard unit. He remains in Inactive Guard, a member of that unit, and he is a mobilization entity. If that unit is called, he is called.

I have about 10,000 of those people on board now, working toward about 20,000. This is a variation of the IRR.

Senator **Exon.** And the program is coming along quite well?

General **Walker.** Yes. I am on my way, hopefully, to around 20,000.

Senator **Exon.** Thank you.

Thank you, Mr. Chairman.

UNMANNED TRAINING COMPANIES

Senator **Jepsen.** Along this line, under the planned force structure there are about 300 unmanned training companies in the Army Reserve. What contingency plans does the Army have to fully man these?

General **Berkman.** I might say, sir, that those unmanned units are not necessarily earmarked for the reserve components. Of the components of the Army there is the active component, the National Guard, the Army Reserve, and then as part of the force structure requirements an identification of units that would be required upon mobilization that are not, either for one reason or another, appropriate in either the active component or the reserve component.

Some of those units are of a type which cannot be supported in the Reserve components, and obviously upon mobilization would be required by the Army, and resources and personnel from the IRR and others would be required to form that structure.

Perhaps General Thurman would care to elaborate on that.

General **Thurman.** [Nods negatively.]

Senator **Jepsen.** Well, if all IRR personnel will be used for filling out Selected Reserve units, from where will the casualty replacements come?

General **Berkman**. I believe the IRR is required for a number of purposes. One is to fill out units that are under strength, both in the Active component and Reserve component, but also for replacements, casualty replacements, fillers, and new units. So the IRR is required across the board for a number of purposes in the event of mobilization.

Senator **Jepsen**. Then with a current shortage of about 200,000 people, this does affect the IRR's ability to bring Selected Reserve units up to wartime requirements, is that correct?

General **Thurman**. That is a fair assessment, and all the more reason to accelerate the growth in the Guard and Reserve troop program units. And that decision depends then upon the mobilization scenario one would follow. If it is a quick mobilization, you run out of people, obviously, unless you populate. On the other hand, if it is a longer term mobilization period you have a chance for the draft to overcome that loss.

Senator **Jepsen**. Do any of you have any closing statements or comments you would like to make?

Mr. **Walters**. I would just like to tell you, Mr. Chairman, on behalf of all of us here in the U.S. Army, we would like to thank you for the help you have given the U.S. Army in reinstilling a pride in themselves and giving it the compensation it so needs. And your leadership on this committee has been very helpful. Thank you.

General **Thurman**. We appreciate the opportunity to be here.

General **Walker**. Thank you very much, Mr. Chairman.

Senator **Jepsen**. We have some questions which we will put into the record.

[Questions with answers supplied follow:]

Questions Submitted by Senator Roger W. Jepsen

CIVILIAN STRENGTH

Senator **Jepsen**. General Thurman, the committee notes with interest that the Army is forecasting no growth in its civilian end strength for fiscal years 1984 through 1987, despite new and expanded programs and functions related to planned force expansion and modernization.

Does the Army's requested civilian personnel strength for fiscal year 1983, and the projections for out years, include sufficient personnel to perform the additional tasks and functions which have and will result from force modernization? Please explain if it does not.

General **Thurman**. No. As a result of both fiscal and anticipated end strength constraints, Army is short approximately 2800 civilians in fiscal year 1983 to support force modernization.

Senator **Jepsen**. How does the Army plan to carry out its new and expanded programs which result from force expansion and modernization?

General **Thurman**. Fielding of the new equipment must be accomplished within the current constraints of the Budget request and therefore at the expense of other high priority functions by realining the civilian workforce from other critical support areas. In doing so Army will create workload shortfalls and backlogs in lower priority missions. Army will however continue to seek additional resources in order to attain a more feasible balance between mission, funding and available manpower.

CIVILIAN TO MILITARY AUTHORIZATION CONVERSION

Senator **Jepsen**. Does the Army plan to explore and pursue a program of civilian to military authorizations conversions to counter possible caps on civilian personnel and direct hire ceilings?

General **Thurman**. Army's policy has been to use civilian manpower wherever possible to release military personnel to combat and combat support missions.

Recent constraints on civilian end strength, particularly direct hire civilian employment ceilings, together with the improved military end strength posture resulting from successful recruiting and retention, have caused the Army to consider the possibility of using military personnel to selectively fill positions which have yet to be firmly established as either military or civilian positions. Army will explore this potential alternative to constrained civilian manpower, together with OSD, to determine the extent to which use of military personnel in lieu of scarce civilian personnel is feasible.

CIVILIANS FOR NEW AND EXPANDED PROGRAMS

Senator JEPSEN. If additional civilians have not been requested for new and expanded programs, will not the problem of borrowed military manpower become more severe? What factors constrain an increased Army civilian personnel request?

General THURMAN. Commanders must prioritize their functions based on local needs and there is no guarantee that the constraints inherent in the fiscal year 1983 President's budget, if not alleviated, will not require the diversion of soldiers to perform civilian workloads. Army will continue to assess the overall execution of the fiscal year 1983 program and will avoid borrowed military manpower increases to the maximum extent possible. Two factors constrain the Army's civilian personnel request: direct hire end strength ceilings imposed by higher authority and dollar limitations. Of these two factors, the most difficult to accommodate in the budget process is the limitation on direct hire ceilings. These ceilings influence the amount of dollar resources that are budgeted to support required civilian end strength increases. Thus, the ceilings preclude the adequate resourcing of the civilian components of hardware systems, training, logistics and military construction necessary to provide full civilian support for these components.

ENLISTED QUALITY

Senator JEPSEN. General Thurman, has not the Army's disregard of qualitative requirements resulted in personnel shortages which the Army has requested bonuses and other monetary incentives to correct?

General THURMAN. The Army has not disregarded qualitative requirements in the past and continues to manage its incentives' programs not only to attract but to distribute quality enlistees among its critical skills, primarily the combat arms and highly technical specialties. Incentives are used to meet both the Army's quantitative and qualitative objectives. In fiscal year 1981, the Army achieved its quality objectives and is currently on target for fiscal year 1982.

PERSONNEL MANAGEMENT POLICIES

Senator JEPSEN. Is the Army undertaking a total study of its personnel management policies, practices, and decisions to assess which are counterproductive and in fact create or intensify manning shortages?

General THURMAN. Yes. Last fall I began to review the policies that needed to be revised or initiated to eliminate the Army's noncommissioned officer shortage by the end of fiscal year 1983. The goal was not to eliminate only the total shortage but the overfill and consequent underfill of specific skills as well. As an example, at the end of fiscal year 1981, the Army was only short 2,650 NCO overall but the combat arms were short 6,100 NCO. That means at least 3,450 NCO were serving in skills where they were excess. This situation was as a result of many years of manpower shortages, and decisions, which were correct at the time, to keep as many qualified soldiers in the Army as possible. As a result of last fall's review, a force alignment plan was implemented 1 January 1982. It consisted of reenlistment objectives by skill, reduced capability to move out of skills except to those which are short, promotions to grades E5, E6 and E7 by skill to fill shortages, and refinement of reenlistment bonuses to focus on chronically short skills. In addition, initial reenlistment standards were raised to improve the potential of the Army's mid-career soldier (the junior NCO) in all skills.

Through this review, and continued support of Congress, I am confident the Army's manning shortages will be virtually eliminated by the end of fiscal year 1983.

PROMOTION POLICIES

Senator **Jepsen**. Does the Army's promotion policy consider both the quantitative and qualitative requirements of each MOS? If not, why and to what extent has this exacerbated shortages?

General **Thurman**. Army promotion policy provides for consideration of both the quantitative and qualitative requirements of each MOS. Quantitative requirements are initially determined by grade; then they are determined within grade by MOS. Qualitative requirements are considered through review of evaluation reports, education and training, demonstrated performance, and the appraisals of members of selection boards.

PRIOR SERVICE ENLISTEES

Senator **Jepsen**. Why has the Army in the past recruited prior service personnel for MOS which are not undermanned?

General **Thurman**. We recruit prior service personnel in specific MOS in order to fill shortages in the structure of that MOS. While we may be at or near 100 percent of the authorization for an MOS, we may be short at the grade of E–5. A prior service soldier who already has 3 or 4 years of experience can fill the E–5 vacancy quicker than a new recruit or a soldier who has only one year in the Army.

FORCE ALIGNMENT PLAN

Senator **Jepsen**. General Thurman, the Army, as is the case with all the services, is in the aggregate essentially 100 percent manned. At the same time, however, the Army is experiencing significant shortages of critically skilled personnel which, according to the Army, has a negative impact on combat effectiveness and readiness. The shortages are particularly critical in the combat arms MOS which are crucial to accomplishment of the Army's basic combat mission.

In 1981 the Army announced a force alignment program designed to improve skill match, eliminate poor performers, retain good performers, and support modernization.

What is the force alignment program, what does it consist of, and what is the status of its implementation?

General **Thurman**. The Force Alignment Plan is a concept whereby we are modifying extant policies to better manage our career force and noncommissioned officers.

We are faced with a manning position where (1) requests for NCO in the aggregate are growing as we modernize (2) seven CMF are overstretched NCO, 12 CMF are under and 11 are balanced. This strength imbalance has resulted from policies which focused upon retention of NCO in aggregate rather than by specific skill—a situation which authorized migration of NCO into those skills where no shortage existed.

The Force Alignment Plan will focus on both the aggregate problem as we expand the NCO Corps and the quality/skill mix as we strive to build a competency base force. The specific elements of the plan are:

Require specific reenlistment objectives by MOS.

Allow reclassification to shortage skills only.

Allow reenlistment only in present skill or into a shortage skill.

Require soldiers to be in grade E4 or higher to reenlist.

Increase basic reenlistment qualifications from three scores of 90 to three scores of 95.

The policies which this plan represents were implemented on 1 January 1982. The effect of these policies will be an enlisted force which is completely aligned by both skill and grade at the end of fiscal year 1983.

Senator **Jepsen**. Is it true that prior to initiation of the force alignment program, the Army's primary manning goals were quantitative and did not consider qualitative needs? Was this approach used simply to allow the Army to meet its advertised recruiting and retention goals?

General **Thurman**. Not totally. The Army has always had quantitative and qualitative goals. During periods of poor retention, the quantitative goals have been stressed to ensure the Army met its overall manpower requirements. Now during a period of excellent retention, the Army can stress qualitative goals and in fact raise its standards.

MANNING IMBALANCES

Senator **Jepsen**. To what extent did the Army's concern about quantity goals create the current situation of manning imbalances where certain MOS and grades have excess personnel, while others have shortages?

General **Thurman**. Two policies aggravated the situation somewhat—allowing soldiers to reclassify and reenlist into balanced skills and automatic promotions to grades E5 and E6 for soldiers receiving high evaluations. These policies were correct at a time when the Army was short over 68,000 NCO and retention of all NCO was important.

While these policies did perpetuate imbalances in some skills, it also insured that the Army retained sufficient numbers of trained, qualified NCO in the aggregate to reduce the shortage to 2,650 at the end of fiscal year 1981.

PERSONNEL AVAILABLE FOR COMBAT

Senator **Jepsen**. General Thurman, the number of soldiers stationed in Germany is partly a function of how many troops will be needed in the event of a mobilization. The Army estimates that about 10 percent of its troops will not be available in the event of hostilities because of authorized and unauthorized absences. The committee is aware of some speculation among U.S. Army, Europe troops that certain types of soldiers might be evacuated based on interpretations of the combat exclusion and sole surviving son policies, as well as the policy to only have one family member in the same combat zone.

Have you ever used data from major exercises to quantify the response rate of soldiers in various types of family status?

General **Thurman**. No, we have not had enough of a sample to be significant. We are reviewing our policies and intend to test them in future exercises.

Senator **Jepsen**. Do your estimates of required U.S. Army, Europe force levels reflect any assumptions about the availability of females, sole surviving sons and daughters, single parents, and in-service parents in the event of a mobilization? If so, what are these assumptions?

General **Thurman**. Yes. Except for soldiers who are pregnant and the policy that upon request family members will not be assigned to the same unit unless overriding military needs prohibit reassignment, no other family situations, except those of an emergency nature, would normally preclude deployment of soldiers.

Senator **Jepsen**. In the event of an outbreak of hostilities in Europe, under what circumstances would you evacuate any of the above types of soldiers?

General **Thurman**. If noncombatants are evacuated, all pregnant service members who have reached the 18th week of pregnancy will be evacuated as will other pregnant members on an individual basis. Sole surviving sons and daughters upon application, will be reassigned. Married Army couples, upon application, will not be assigned to the same unit.

AVAILABILITY OF SOLDIERS

Senator **Jepsen**. What is being done to assure the availability of these soldiers during a mobilization?

General **Thurman**. Sole parents and in-service parents are required to file family care plans detailing the arrangements made for their children in the event of deployment. Sole surviving sons and daughters are available for noncombatant duty if they request combat exclusion. Service members, upon application, are not assigned with other family members to the same unit overseas during hostilities unless overriding military needs prohibit reassignment.

SOLDIER RETENTION

Senator **Jepsen**. Has the emphasis on soldier retention resulted in the Army not discharging persons who are likely to be unavailable in the event of a mobilization?

General **Thurman**. Army proponents are currently detering what separation policies, if any, are warranted. Final determinations have not been made.

USAR/ARNG MANNING LEVELS

Senator **Jepsen**. General Berkman and General Walker, you state that the Army Guard and Reserve have not achieved the necessary manning levels. In August 1979, the GAO attributed the failure to achieve the manning levels at least in part to the Guard and Reserve establishing recruiting objectives on the basis of estimates as to what could be achieved and not what was needed.

Is this practice continuing? If not, what is the current practice and when did it change? If yes, what would the statistics indicate if the analysis was done on the basis of need? Please provide for the record the support for your statement.

General **Berkman**. Before answering the question on the process utilized in developing the USAR manning levels, it is important to note that the Army did not agree with the GAO finding that the USAR developed its recruiting objective based on achievable estimates and, therefore, has not achieved the desired strength levels. The development of manning levels is a complex process which includes determining the total Army needs in personnel, equipment, training, and the reality of fiscal constraints. Practically, it is not feasible to budget for the attainment of the USAR authorized or required strength within a year or two.

In developing the USAR personnel manning levels, a careful analysis is made of the recruiting market, the retention objectives, the initiatives required for recruiting and retention incentives and the recruiting and retention personnel required to attain the desired manning levels. The programmed strength for fiscal year 1982–1987 utilizing this process established end strengths for the USAR of 237,000; 251,680; 264,900; 277,680; 290,210; and 300,910 respectively.

Consistent with the analysis of the needs of the total Army and fiscal constraints, the USAR is programing its manning levels based upon needs and available resources.

General **Walker**. During fiscal year 1979, ARNG recruiting objectives were keyed to end strength objectives established within budgeted strength limitation. This limitation, coupled with the recruiting experience of fiscal year 1977 and 1978, served as the basis for establishing realistic and achievable recruiting objectives for the ARNG during fiscal year 1979.

The current practice of developing manpower needs for the ARNG is tied to the Army's Total Army Analysis (TAA) concept. This concept provides the projected force structure and mapower needs for all Army components. The manpower needs of the ARNG are projected at two levels, peacetime (authorized) and wartime (required).

Since the inception of Total Army Analysis, the authorized and required strength levels for the ARNG have been above the level of achievability within one fiscal year due to cost and supportability factors. To overcome these factors, the ARNG has programed end strength objectives and supporting programs that will lead to the achievement of full wartime required strength of 452.7 thousand during fiscal year 1987. This is reflected in the current fiscal year 1983–87 program.

The ARNG measures its progress toward this goal by the achievement of programed recruiting and end strength objectives. During fiscal year 1981, the ARNG achieved 100.3 percent of its recruiting objectives and finished the fiscal year at 389,009, approximately 3,233 over program and 91.6 percent of authorized strength. In fiscal year 1982, the ARNG surpassed its fiscal year 1982 assigned end strength objective of 400,104 on February 28, 1982, when end strength reached 400,900. These near term successes are keyed to the many important programs provided to the ARNG through congressional support and funding. Continued support will virtually assure the achievement of ARNG manpower goals within the current program years.

Questions Submitted by Senator William S. Cohen

BONUS AND EDUCATION BENEFITS

Senator **Cohen**. From your standpoint, how do educational benefits compare to bonuses as means of attracting quality individuals into the Army?

General **Thurman**. The Army requires both incentives to enhance recruiting of higher scoring high school diploma graduates who have historically demonstrated their increased ability to acquire military skills which are necessary to attain and maintain force readiness. These incentives target two basic types of individuals within the quality market and work cooperatively to cover as much of this market as possible. Specifically, they attract individuals who are separated less frequently as evidenced by the shift from a 39 percent forcasted 3-year attrition rate for fiscal year 1980 accessions to a projected 34 percent 3-year rate for fiscal year 1982 accession. This reduced attrition rate is a result of improved quality enlistments and is essential to effective force management.

The key to an educational incentive is its attractiveness to those college-bound individuals who might not strongly consider military service unless such option was available. The Army's fiscal year 1982 Ultra VEAP program provides an enhanced educational package which is only offered to high school diploma graduates in the upper mental categories. Educational incentives attract youth who aspire for higher education but who may desire a break from studies to do something exciting and challenging while earning money for future educational pursuits. These individuals are not primarily interested in transferring Army skills to civilian use upon separation.

Enlistment bonuses are used to attract and distribute vocationally-oriented quality youth among hard-to-fill Army MOS which have little correlation to civilian occupations, lower prestige, and greater discomforts. These perceived disamenities have been difficult to overcome and require a full range of bonuses to persuade quality individuals to enlist for selected hard-to-fill MOS. Because these bonuses have been offered only in return for a 4-year term of service, many of these quality soldiers become non-commissioned officers and contribute significantly to the combat readiness of the force.

GI BILL

Senator COHEN. In my original GI bill proposal, I included a provision allowing more rapid accrual of benefits for those in combat arms and critical skills positions. What do you think of this sort of approach?

General THURMAN. In theory, this provision has merit although the practical implementation of such a measure may prove less effective than a simpler targeting approach such as provided in H.R. 1400. In your proposal a servicemember in a combat arms/critical skill would accrue benefits after four years while enlistees in non-critical skills would require six years to earn full entitlement. In either case, the earning rate may be too slow to act as a truly helpful recruiting incentive. However, by adjusting the rate of accrual to 2 and 4 years, respectively, this provision might produce significantly better results.

COMPENSATION

Senator COHEN. I understand that yesterday an internal report prepared for the President's Military Manpower Task Force was presented to that Task Force. According to "The Army Times," the report proposes a dramatic shift in military compensation policy to provide higher bonuses and incentive pays to service members with skills in short supply and smaller annual pay raises to other service personnel.

Are you familiar with this report? And what are your reactions to the report's conclusions?

General THURMAN. Yes, I am familiar with that Military Manpower Task Force (MMTF) report. It contained an alternative similar to what you mentioned. The alternative suggested suppressing the annual military pay adjustment for all personnel to "create" funds for use as funding of discretionary pay—special/incentive pays and bonuses. Those pays and bonuses would be focused on accession and retention problems as they are today. The thrust of the MMTF concept was not specific but seemed to involve a plan to reduce overall funding for the total pay program.

Our analysis indicates that the alternative will not work in actual execution. Simply stated, execution of the plan would not "create" adequate funds to provide for the discretionary pays/bonuses program. Also, financing special manpower needs from cost-of-living increases is a precedent which, if repeated in the out-years, will find the Services relearning the lessons of the 1970's. We want to continue, as a separate effort, to finance discretionary pay/bonuses but not at the expense of cost-of-living increases for soldiers. Additional appropriations over and above the cost-of-living increase are needed to accomplish that.

PROFILE OF AMERICAN YOUTH

Senator COHEN. As you know, there has been considerable discussion about the recent report, "Profile of American Youth," which found that military personnel are "a cut above" their civilian counterparts. I have heard the criticism, though, that while the Defense Department has been emphasizing that servicewide recruits are better than their civilian peers, it has failed to note the bleak figures concerning the Army's recruits.

What is your reaction to this criticism? Also, what are the trend lines for the quality of individuals coming into the Army?

General THURMAN. The Army enlisted a higher percentage of high school diploma graduates in fiscal year 1981 than reported in the youth study. However, in comparison with the youth population, fewer Category I–IIIA and a higher percentage of Category IV individuals were enlisted during that same period. Our goals for fiscal year 1982 include 83 percent high school diploma graduates and 50 percent Category I–IIIA individuals. Category IV accessions will not exceed the constraints provided by the Congress. Trends thus far in fiscal year 1982 are positive. Through December, 46 percent of the non-prior service accessions were in Category I–IIIA and 72 percent were high school diploma graduates. When we consider the Delayed Entry Program, the total non-prior service enlistments thus far in fiscal year 1982 include 53 percent Category I–IIIA's and 83 percent high school diploma graduates.

RECRUITING OBJECTIVES

Senator COHEN. When the Air Force testified before this committee, it stated that 80 percent of its recruiting goal has already been met for this fiscal year. The Navy has testified that as of January 31, it has recruited 82 percent of its fiscal year 1982 goal, and the Marine Corps reported the same.

What are the figures for the Army at this point?

General THURMAN. As of March 8, we had recruited 71 percent of fiscal year 1982 goal.

INDIVIDUAL READY RESERVE

Senator COHEN. General Yerks testified a few years ago that even if the draft had continued, Individual Ready Reserve shortfalls would still be significant, and not that much different from shortfalls under the volunteer force. What do you project that today's level would be even with a draft?

General THURMAN. The major characteristics of the All Volunteer Force that contributed to the decline of IRR strength were a smaller active force, longer terms of service, and greater retention. These three changes from the draft Army worked to reduce the flow of obligors into the IRR. However, there are a number of other variables affecting IRR strength about which we can only hypothesize. What would have been the Active Army end strength in the intervening years? What portion of annual accession requirements would have been met via the draft? Would the draft have continued to be an incentive to enlist in the Selected Reserve? Would the military service obligation have remained unchanged? Would the fiscal and manpower constraints of the All Volunteer Force have applied to a draft force? Thus, it is not possible to accurately predict the outcome of an alternative course of history. Had the draft not been discontinued in 1973, the strength of the IRR might currently have been from 49,000 to 99,000 higher. That additional strength could have reduced the fiscal year 1981 trained manpower shortfall, considering showrate, from 179,000 down to a range of 142,000 to 104,000.

SKILL QUALIFICATION TEST

Senator COHEN. The article, and this subcommittee a couple of years ago, was critical of scores achieved by soldiers operating and maintaining tactical nuclear weapons ~~in~~ Europe on their skill qualification tests. According to the Pentagon, two primary factors—poorly designed tests and inadequate preparation for the tests—were the reasons for the poor results in the first 2 years they were given.

Substantial improvements, I am told, have been made in test results since 1978, with 78 perecnt of soldiers taking the tests passing them in fiscal year

1981. Is this correct, and what changes were made in the tests and in the preparation for them which have helped this improvement?

General **Thurman**. The fiscal year 1981 Skill Qualification Test results indicate that 89 percent of all soldiers achieved a passing score. Ninety-six perecnt of Nuclear Weapons Maintenance specialists passed. SQT scores have improved primarily because of the increased attention and emphasis commanders and NCO's place on individual soldiers proficiency. The improvement in the quality of tests and Soldier's Manuals and experience with the system also contributed to the rise in scores. In essence, the SQT process is maturing. It was a major initiative that commanders, NCO's and soldiers had to get used to—and did.

INDISCIPLINE INDICATORS

Senator **Cohen**. The article reported serious discipline problems in the Army. What are the figures, and how do they compare historically, for such discipline indicators as AWOL's and desertions, serious offenses, and drug and alcohol abuse?

General **Thurman**. Current indiscipline indicators are favorable in comparison to previous years. Following are fiscal year 1981 rates compared with fiscal year 1980 and fiscal year 1974:

INDISCIPLINE INDICATORS, FISCAL YEAR 1981

[By fiscal years]

	Rates per 1,000			Percent change, comparison with—	
	1981	1974	1980	1974	1980
Violence	5.91	7.94	6.46	−26	−9
Property	74.91	89.87	77.11	−17	−3
Marihuana U/P	30.83	29.38	25.47	+5	+21
Other drugs	5.24	8.45	5.62	−38	−7
Courts martial	13.41	27.65	12.06	−51	+11
Nonjudicial punishment	200.82	220.32	196.87	−9	+2
Separations other than honorable	17.17	32.52	16.69	−47	+3
Adverse honorable/general separations	50.19	58.20	46.17	−14	+9
AWOL	36.00	88.80	41.60	−59	−13
Desertion	15.90	41.10	19.60	−61	−19

Case load admissions to the Alcohol and Drug Abuse Prevention and Control program (ADAPCP) for alcohol have steadily increased from 39 percent of the total in 1975 to 76 percent in 1981. (The remainder of admissions are for drugs.) Case load admissions for alcohol are as follows:

Year [1]	Admissions	Percent of total
1975	10,997	39
1976	10,573	44
1977	12,638	56
1978	12,193	56
1979	14,130	66
1980	17,368	71
1981	19,594	76

[1] Figures are for calendar year.

REENLISTMENT FIGURES

Senator **Cohen**. What are the first term and career reenlistment figures for the past fiscal year, and how do they compare to the historical average?

General **Thurman**. During fiscal year 1981 the active Army reenlisted 78,097 soldiers as compared to 79,704 in fiscal year 1980. In spite of improved fiscal year 1981 reenlistment rates and achievement of overall reenlistment objectives, we fell short of meeting fiscal year 1981 mid-term and career goals. Reenlistment rates, or the percent of eligible soldiers who reenlisted, for first term soldiers with up to 3 years of service, and careerists are as follows:

[By fiscal years]

	1975	1976	1977	1978	1979	1980	1981
1st term	38.6	21.4	33.1	35.6	43.0	50.6	55.0
Career	75.4	70.8	69.5	68.6	66.4	69.3	72.5

ENLISTMENT ELIGIBILITY

Senator COHEN. How many enlistees in the past few years, by year, would not be eligible under today's standards? How many reenlistees under today's reenlistment standards?

General THURMAN. Approximately 192,000 enlistees would have been ineligible during the period January 1, 1976 to September 30, 1980. This includes those who entered the Delayed Entry program in fiscal year 1980 for accession in fiscal year 1981. Data by year is as follows:

Fiscal year:	
1976	27, 000
1977	41, 000
1978	23, 000
1979	33, 000
1980	51, 000
1981	17, 000
Total	192, 000

About 9,600 soldiers from the fiscal year 1976–79 cohorts, who would not have been eligible to reenlist under current standards, have reenlisted and still remain in the Army. Data by year is as follows:

Fiscal year:	
1976	700
1977	800
1978	2, 500
1979	5, 600

The majority of soldiers remaining from the fiscal year 1980 cohort who would have been ineligible to enter the Army fall under reenlistment criteria implemented in January 1982. Under the current criteria, we estimate that about 14,350 of these personnel will reenlist, a reduction of about 5,400.

QUESTIONS SUBMITTED BY SENATOR J. JAMES EXON

MANPOWER SHORTAGES

Senator EXON. General Thurman, at the first Manpower and Personnel Subcommittee hearing this year, General Richardson, the Army's Deputy Chief of Staff for Operations, testified that the Army would need 867,000 people to fully man its current active force structure.

By fiscal year 1987, the Army's end strength requirement just to man the active force structure rises to 890,000. The Army is asking Congress to authorize an active end strength for the Army of 783,800 in both fiscal year 1983 and fiscal year 1984.

Using General Richardson's figure of 867,000, this means that in fiscal year 1983 the Active Army will have manpower shortages of some 83,000 in the current force structure.

In what types of units do these shortages exist?

General THURMAN. Authorizations fall short of required strength levels across the active force. The greatest discrepancy lies within tactical support units (e.g., truck companies, field hospitals, maintenance units, military police units, signal units) and the general support forces (e.g., training base, R&D, management headquarters).

Senator EXON. Are these shortages currently made up by Army Reserve or National Guard units?

General Thurman. No. These shortages pertain to the difference between required and authorized levels of organization of the current approved force structure. The shortages are not unit requirements that could be filled by the Reserve Components.

Senator Exon. How would these shortages be made up in the event of a mobilization?

General Thurman. We would expect to fill our units to required levels in the event of mobilization through some redistribution, Individual Ready Reserve fillers and draftees.

ACTIVE END STRENGTH

Senator Exon. How large an Army in terms of active end strength does the current 5-year defense plan envision by fiscal year 1987?

General Thurman. Approximately 819,000.

MANPOWER SHORTAGES

Senator Exon. What areas of the active force structure will remain unmanned from the fully flushed-out force of 890,000 referred to by General Richardson?

General Thurman. If you were to say optimum size from the standpoint of filling the currently approved force structure of the Active Army to required or wartime levels, the end strength would run up to some 867,000 in the current timeframe, and in 1987 it would be about 890,000. There would still be shortfalls in the COMPO 4 units (units structured—not manned until wartime) principally, nondivisional and tactical support units such as nondivisional artillery, engineers, truck companies, maintenance units and the like. However, a fully structured and supported 16 division force in the Active component—that is, 16 division combat increments with the same number of nondivisional combat and tactical support increments would require an end strength of approximately 1,190,000.

ACTIVE ARMY SIZE

Senator Exon. How large an Army do you think you can support under current compensation policies and with the restriction that no more than 20 percent of your nonprior service recruits can be in mental category IV?

General Thurman. Assuming pay comparability with the civilian sector, additional funding for increased end strengths, continued support of the Congress in providing recruiting and retention resources, the allocation of these resources by Congress and the Defense Department to provide an equalizer in the marketplace among the services and that no more than 20 percent of nonprior service recruits can be in mental category four, I believe the Active Army could grow toward and maintain an end strength of 850,000 to 875,000 by fiscal year 1988.

ULTRA VEAP

Senator Exon. General Thurman, please describe the so-called Ultra-VEAP, veterans educational assistance program, which the Army is offering to new recruits.

General Thurman. The Army's fiscal year 1982 Educational Incentive Program, Ultra VEAP, is designated to help the Army achieve its quality requirements, Mental Category I–IIIA High School Diploma Graduates, and to meet requirements in critical specialties. The Army contributes up to an $8,000 "kicker" to the Veteran's Educational Assistance Program (VEAP) fund of a 2-year enlistee meeting quality and skill criteria and up to $12,000 for a 3- or 4-year enlistee. Before enlistee receives a "kicker" he must initiate an educational savings allotment through his Army finance office and contribute between $25 and $100 per month for a minimum of 12 consecutive months to the VEAP. This requirement could also be fulfilled if an individual provides a one-time lump sum cash payment to the VEAP which is authorized under Public Law 96–466. The maximum benefits available under Ultra VEAP are displayed below:

	Personal contribution	DOD matching	Kicker	Total
2-yr enlistee	$2,400	$4,800	$8,000	$15,200
3-yr, 4-yr enlistee	2,700	5,400	12,000	20,100

ULTRA VEAP ELIGIBILITY

Senator **Exon**. Who is eligible to receive this incentive?

General **Thurman**. The following eligibility requirements must be met before an individual qualifies for the Army's Ultra VEAP program:

Applicant must be a non-prior service enlistee.

Applicant must be a high school diploma graduate who scores 50 or higher on the Armed Forces Qualification Test.

Applicant must enlist for active duty.

Applicant must enroll in the basic VEAP for a minimum of 12 months.

Applicant must enlist in a selected Military Occupational Specialty as designated by the Army.

ULTRA VEAP AND BONUSES

Senator **Exon**. Can an individual receive Ultra-VEAP benefits and an enlistment bonus?

General **Thurman**. Yes, the Army does offer both educational assistance (Ultra VEAP) and enlistment bonuses in 35 military occupational specialties (MOS) in return for a 4-year enlistment.

ULTRA VEAP VERSUS GI BILL

Senator **Exon**. General Thurman, your statement says: "If we can offer appropriate educational incentives—such as Ultra-VEAP or a non-contributory program like the GI Bill—we will be able to recruit college-bound youth."

Since the Army now has the Ultra VEAP program, does this mean you would be satisfied to keep this program and not have a new GI bill?

General **Thurman**. The Army supports the establishment of a long term noncontributory educational assistance program aimed at not only recruiting quality individual but retaining them in the force. Although Ultra VEAP is an effective recruiting incentive, its merits as a retention incentive have not been examined because of the short time this program has been in existence. The Army views present programs as acceptable in the short terms, FY 1983, but will continue to work with Congress and the Office of the Secretary of Defense for a long term noncontributory educational program which will be an entitlement for honorable service. Such a program should target recruiting and retention and promote the military as a professional career.

PROVISIONS OF GI BILL

Senator **Exon**. General Thurman, what provisions does the Army want to see included in any new GI bill that might be enacted by the Congress?

General **Thurman**. Any GI bill enacted by Congress should contain a noncontributory basic benefit sufficient enough to compete with existing Federal loans and grants; a provision for selectively targeting quality enlistees in critical skills with additional benefits; a feature for transferability of benefits to dependents after 10 years; a provision for the Selected Reserve; and VA administration and funding.

RESERVE ENLISTMENT INCENTIVES

Senator **Exon**. General Berkman, in the Army Reserve today you are offering some enlistees a choice of either a $1,500 enlistment bonus or $4,000 in educational assistance. Which has proved more attractive, the up-front cash enlistment bonus or the educational assistance?

General **Berkman**. The USAR is currently offering a $2,000 cash bonus for a 6-year enlistment in certain selected skills (Career Management Field's 11-Inf, 12-Engineers, 13-Artillery, 16-Air Defense, 19-Armor, 54-Chemical, 91-Medical, 98-Military Intelligence, and MOS 95B-Military Police) and a $1,500 cash bonus for 6-year enlistment in certain high priority units. An alternative of a $4,000 educational assistance is offered in lieu [illegible] either the selected skills or high priority units cash bonus. During fiscal year 1980, when the education assistance was $2,000, only 4 percent (274 of 6,250) of the bonus enlistments opted for the education assistance.

During fiscal year 1981, when the education was increased to $4,000, 38 percent (3,490 of 9,070) selected the education assistance. This substantial increase demonstrates the attractiveness of this enlistment bonus option at the $4,000 level. This performance is expected to continue for fiscal year 1982.

SHORTAGES IN THE IRR

Senator EXON. General Berkman, General Tice also pointed out that the shortages in critical skills such as combat arms are much more severe than the aggregate shortfall figure of 8 percent. What are the current shortages of combat skills in the IRR?

General BERKMAN. The Individual Ready Reserve (IRR) has no structure or statutory prescribed manning levels, therefore, the IRR does not have a specific shortfall. However, the fiscal year 1981 pretrained manpower shortfall was 179K. Of this total, 85 percent was attributed to shortages in combat skills.

Senator EXON. How soon will these shortfalls be eliminated?

General BERKMAN. The current Army Five Year Program reduces the pretrained manpower shortfall to 48K in fiscal year 1987.

REENLISTMENT BONUS FOR THE IRR

Senator EXON. Secretary Walters, does the Department intend to limit the reenlistment bonus for the IRR to critical skills only?

Mr. WALTERS. Yes, the IRR Reenlistment Bonus will be tied to skills projected to be short upon mobilization.

Senator EXON. How large will this reenlistment bonus be, and how many people do you think will reenlist under this program?

Mr. WALTERS. The IRR Reenlistment Bonus will be authorized for up to $900 for a three year reenlistment. Contingency funds for the Army have been requested which will provide for $18.1 million in fiscal year 1983, which will produce an estimated 20,000 three year reenlistments.

COMPENSATION FOR SPECIFIC SKILLS

Senator EXON. General Thurman, recent press reports suggest that the administration's Military Manpower Task Force is considering a proposal to give higher annual pay raises to servicemen in critical skills in short supply and smaller pay raises across the rest of the force.

Do you think a proposal to begin targeting military pay raises to specific skills makes sense?

General THURMAN. We already focus "discretionary" pay by our program of special/incentive pays and bonuses. As you are aware, those funds are limited and we carefully identify skills which receive the benefit of this program. The Military Manpower Task Force (MMTF) recommendation you mentioned would provide authority to reduce the percentage increase in military pay for all service members thereby "creating" funds to be used for those discretionary pays/bonuses. The Army did not support the MMTF recommendation nor did the other Services. Financing special manpower needs from cost-of-living increases is a precedent which, if repeated in the out-years, will find the Services relearning the lessons of the 70's. We want to continue, as a separate effort, to finance discretionary pays/bonuses but not at the expense of cost-of-living increases for soldiers. Additional appropriations over and above the cost-of-living increase are needed to accomplish that.

Senator EXON. Why should we not pay an E–5 computer technician, whose skills are in high demand in the civilian sector, more than an E–5 truck driver?

General THURMAN. The Army is considering compensation alternatives which would emphasize pay for skill and provide increased pay for increased competency within skills. Currently, the shortages or imbalances referred to are handled through monetary incentives and enhanced promotion opportunity.

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

PROFILE OF AMERICAN YOUTHS

Senator NUNN. General Thurman, are you familiar with the recent report entitled "Profile of American Youth," released by the Defense Department?

General THURMAN. I am familiar with the report which was released in late February 1982.

Senator NUNN. What are the most significant findings in this study as far as the Army is concerned?

General THURMAN. Significant findings for the Army show that about 74 percent of the 18–23 year old youths are high school diploma graduates, about 53 percent scored in Category I–IIIA, and about 24 percent are Category IV's. The test score information by geographic region will also be helpful in our recruiting efforts.

Senator NUNN. Dr. Korb has been quoted in the press as saying that this study "shows that since the Reagan administration took office the All-Volunteer Force is working well." Do you think the conclusion Dr. Korb drew from this study applies to the Army?

General THURMAN. Yes. While general economic conditions have been in our favor, a number of other factors contributed to fiscal year 1981's performance. These include increases in pay, increased recruiting resources, better recruiting management, a variety of training and assignment enlistment options, enhanced educational benefits, and the growing support of the American public for young men and women in uniform.

LEVEL OF RECRUIT QUALITY

Senator NUNN. During fiscal year 1981, which has been hailed as a very successful recruiting year for the services, one in three Army male recruits were still in mental category IV. Its encouraging to see the improvement in the first quarter of fiscal year 1982.

The real question is: What is the level of recruit quality which the Army is working toward and which you think you will need to man, for example, the new M–1 tank and otherwise maintain a competent, effective fighting force?

General THURMAN. The Army is steadily improving the quality of accessions to insure that capable soldiers are available to operate and maintain current and future weapons' systems. We are recruiting more high school diploma graduates and Category I–IIIA's because they have a greater potential to be leaders and can assimilate the technical knowledge necessary to operate and maintain modern weapons' systems. There has been an improvement in the quality of accessions since fiscal year 1980. The Army enlisted 80 percent from high school diploma graduates and 40 percent Category I–IIIA's in fiscal year 1981 compared to 54 percent and 26 percent respectively in fiscal year 1980. These positive trends are continuing in fiscal year 1982. At the same time, we are reducing Category IV enlistees to meet congressional constraints of 25 percent in fiscal year 1982 and 20 percent in fiscal year 1983. We are also improving the career force by reenlisting better qualified soldiers with potential to be non-commissioned officers and supervisors.

RESTRICTION ON RECRUIT QUALITY

Senator NUNN. General Thurman, in your opinion should the Congress repeal the current restrictions on recruit quality which allow a maximum of 25-percent mental category IV recruits in fiscal year 1982 in each service, and 20 percent in each service in fiscal year 1983?

General THUHRMAN. In my opinion, no.

Senator NUNN. Will the Army be able to meet the fiscal year 1982 and fiscal year 1983 quality constraints and still meet the planned end strength of 783,800 in fiscal year 1983 and fiscal year 1984?

General THURMAN. Yes.

ELIGIBILITY TO ENLIST

Senator NUNN. General Thurman, last week General Tice informed the committee that during fiscal year 1976–1980, when the services were using a misnormed entrance exam, the Army took in 168,000 recruits who would not have been eligible to enlist under the Army's standards at the time if the test had been properly calibrated.

Do you agree with this figure?

General THURMAN. From January 1, 1976, when the test was implemented, through fiscal year 1981, which included applicants enlisted in the Delayed Entry Program, approximately 192,000 Army accessions would not have been eligible for enlistment under standards authorized during that period.

Senator NUNN. Can you describe in general the Army's enlistment standards during this period?

General THURMAN. During that period, high school diploma graduates had to achieve an Armed Forces Qualification Test (AFQT) score of 31 plus at least one aptitude Area score of 90 or higher. High school graduates who scored between 16 and 30 had to achieve at least two aptitude Area scores of 90 or higher. Non-high school graduates were acceptable with AFQT scores of 31 and at least two aptitude Area scores of 90 or higher.

STUDY ON INELIGIBLE ENLISTEES

Senator NUNN. Has the Army done any study of the performance of these individuals who would not have been eligible to enlist under a properly normed entrance exam?

General THURMAN. The Army is working with the Office of the Secretary of Defense to review the status of enlistees who would not have qualified for enlistment during fiscal year 1976 to fiscal year 1981. The percentage separated, reenlisted, and still on active duty, in comparison to enlistees who qualified during the same period will be included in the review.

Senator NUNN. What were the results of this study?

General THURMAN. Data are being collected for the review, which will be completed as expeditiously as possible.

PRE-ENLISTMENT EXAM FOR REENLISTMENT

Senator EXON. General Thurman, in your statement you say that the Army has established a new requirement that reenlisting soldiers have three area aptitude test scores of 95 or better in the old misnormed Army Services Vocational Aptitude, ASVAB, test. Why are you using a pre-enlistment exam to determine reenlistment eligibility?

General THURMAN. Higher retention has made it possible to adjust reenlistment standards for soldiers who entered the Army under the old misnormed ASVAB. Revised reenlistment standards for these service members are now in line with intended minimum entry standards.

REENLISTMENT STANDARDS

Senator NUNN. Is this standard for reenlistment higher than the original standard for enlistment?

General THURMAN. Yes, the new standard is higher than the original standard for enlistment; however, it affects only those service members who would not have been able to enlist had the ASVAB not been misnormed. In other words, it matches the intended standard for enlistment.

JOB PERFORMANCE FOR REENLISTMENT

Senator NUNN. Do you make any allowance for job performance during the enlistment if an individual applying for reenlistment does not meet the standard for ASVAB scores?

General THURMAN. Yes, we do. Service members who do not have three ASVAB scores over 95, but who have either been promoted to the grade E-5 or are on a standing E-5 promotion list are exempt. Also, a service member may, at his or her request, be retested and gain reenlistment eligibility when three or more scores over 85 are achieved on the new ASVAB test.

Senator JEPSEN. I thank all of you and I thank you for the job you are doing. The increase and improvements in retention and the improvement of morale of the men and women in uniform is probably a result of a number of things, not the least of which is the resolve, commitment and attitude, and leadership that you all bring to it. And I am very aware of that and I appreciate it very much.

Thank you.

[Whereupon, at 11:40 a.m., the subcommittee was adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1983

THURSDAY, MARCH 18, 1982

U.S. SENATE,
SUBCOMMITTEE ON MANPOWER AND PERSONNEL,
COMMITTEE ON ARMED SERVICES,
Washington, D.C.

AIR FORCE MANPOWER REQUEST

The subcommittee met in open session pursuant to notice, at 2:25 p.m., in room 224, Russell Senate Office Building, Senator Roger W. Jepsen (chairman) presiding.

Staff present: Anthony J. Principi, counsel; Richard D. Finn, David S. Lyles, and José E. Martinez, professional staff members; Ralph O. White, research assistant present; Jacquie S. O'Grady, staff assistant.

Also present: Jim Dykstra, assistant to Senator Cohen.

OPENING STATEMENT BY SENATOR ROGER W. JEPSEN, CHAIRMAN

Senator JEPSEN. The Manpower and Personnel Subcommittee convenes today to continue its series of hearings on the Defense Department manpower request for fiscal year 1983. This afternoon we are pleased to receive testimony on Air Force manpower from Hon. Tidal W. McCoy, Assistant Secretary of the Air Force for Manpower, Reserve Affairs and Installations; Lt. Gen. Andrew P. Iosue, Deputy Chief of Staff for Manpower and Personnel; Maj. Gen. Richard Bodycombe, Chief of the Air Force Reserve; and Maj. Gen. John B. Conaway, Director of the Air National Guard.

Since the subcommittee's hearing 1 year ago on this same subject, the status of Air Force manpower has improved from what had already been an enviable position. Broad indicators of quantity and quality are better now then just 1 year ago. Moreover, even nagging problems in specific skills, such as engineers, scientists, and pilots, are less serious now than before.

I wanted to point out the encouraging progress that the Air Force has made simply to warn everyone that it could easily be halted and even reversed. In the last few years, the Congress has invested several billion dollars to improve the pay and quality of life of our servicemen. Having made that commitment, we cannot afford to be inconsistent now if we hope to avoid a repetition of the painful cycle of "boom and bust". As I have said before, if the Congress and the American people do indeed prefer an All-Volunteer Force, they must be willing to provide the resources necessary to support it.

Gentlemen, let me welcome you here today. The prepared statements that each of you has submitted to the subcommittee will be entered into the record as if read. Having said that you may proceed in any manner that you desire.

Mr. Secretary, you may proceed.

STATEMENT OF HON. TIDAL W. McCOY, ASSISTANT SECRETARY OF THE AIR FORCE (MANPOWER, RESERVE AFFAIRS, AND INSTALLATIONS)

Mr. McCoy. Thank you, Mr. Chairman. Thank you very much. I am very pleased to be here with my colleagues today in the Air Force. We are here to discuss the manpower and personnel program and Air Reserve Force's program for fiscal year 1983.

RECRUITING AND RETENTION

It is a pleasure for me to be able to come before you today and to report that we are having an excellent year in terms of recruiting and retention. As a consequence, we are making good progress toward building and sustaining the skilled, experienced force that is vital to maintaining a strong Air Force. Much of this improvement is due to the support we have received from the Congress and particularly from this committee, and particularly from you, sir. I thank you for that support.

The Air Force manpower and personnel program contained in the President's budget represents a sound approach to meeting present and future requirements. I would like to summarize two key aspects of our request for fiscal year 1983:

First, the manpower levels which are essential to perform the Air Force mission.

Second, the personnel programs required to recruit, train, and retain the quality personnel needed to close the experience gap persisting since the late 1970's; experience is the cornerstone of Air Force readiness.

MANPOWER

For fiscal year 1983 we are requesting authorization for 600,000 Active military—an increase of 19,200 over our request for fiscal year 1982. This increase is required to support the continued modernization of our general purpose forces, such as adding F–16's and A–10's to the force, additional new weapons systems, wartime readiness initiatives; increased security of nuclear weapons; and increased medical and training support.

These increases are partially offset by the phasedown of some of our B–52D's as well as the phase out of our Titan missiles F–101's. We are requesting a civilian end strength of 242,839—a decrease of 4,290 compared to our fiscal year 1982 request. This is due to budget priorities and ceilings. Our requested increase of 4,545 in Selective Reserve strength to 168,381 supports the continued force modernization of our Reserve Forces and continued progress toward our goal of 100 percent wartime manning levels.

I would like to briefly address an area of manpower force management where we need assistance from the Congress and from this committee.

Presently our active duty military end strength is the only portion of our forces controlled by an inflexible, 1-day ceiling. The result is inefficient management practices. I ask your support for the Air Force-initiated proposal contained in the requested DOD authorization bill which provdes the Servce Secretaries the flexibility to exceed the military end strength by 1.5 percent when in the national interest.

This is similar to the 2-percent authority provided the Secretary of Defense for civilian end strength—a tool which has proven most cost effective, particularly in a period when the force structure is increasing or is projected to increase.

PERSONNEL

I am pleased to report that in fiscal year 1981, the Air Force met all of its recruiting objectives with the exception of engineers and physician specialists for the Active Forces and certain critical enlisted skills for the Reserve Forces.

So far this year, we continue to do well in meeting our accession requirements and in the quality of those accessions. Overall retention is up and we are making good progress toward correcting the problems caused by retention and recruiting problems in the late 1970's. We must not become complacent, however, and view the problem as solved or we will run the risk of making the same mistakes that characterized those earlier years, as you mentioned in your opening statement, sir.

We have restored pay comparability to the level which existed in 1972. We must maintain that level if we are to maintain our recruiting and retention momentum. I also believe bonuses continue to be a useful complement to the traditional system of pay, allowances, and institutional benefits and a most cost-effective way of solving shortages in specific skills.

Two other areas are crucial to cost-effective personnel management—the retirement system and reimbursement for travel expenses. The retirement program is vital to optimum force management and readiness.

First, the retirement system insures that a trained experienced pool of manpower will be available for immediate recall during national mobilization.

Second, it provides the foundation for a strong system of institutional entitlements necessary to partially offset the extraordinary conditions of military service.

Third, the retirement program facilitates personnel management by insuring a young, vigorous force while providing meaningful promotion opportunity.

Fourth, its effectiveness as our most valuable retention incentive was highlighted in a recent member survey which identified the retirement program as the most important factor in the career decision.

RETIREMENT SYSTEM

In sum, the Air Force supports a strong and stable retirement system. Changes which members perceive to be arbitrary or inequitable will inevitably frustrate the purposes of the system and ultimately will have an adverse impact on readiness and the cost of the personnel system overall.

Any changes should result from a deliberate process and should not be supported unless they are based on valid personnel management and force structure requirements.

This morning I asked for some more facts on that. I was told that for the Air Force only 12 percent of our enlisted force goes all the way to retirement, and about 26 percent of the officer corps.

Of those who do retire, of that somewhat small percentage entering the force, the number of officers that don't retire until about 25 years is 15 or 20 percent of the force and the number of enlisted who retire at 25 years is about 20 percent.

It is not as though a lot of people in the system get retirement or a lot who are eligible immediately leave to take the maximum advantage. It is a most effective tool for force management.

The budget this year contains initiatives to reduce the financial burden placed on our members and their families by the need to move. As reflected in my formal statement, we have worked diligently to hold the number of moves to a minimum. Still, the worldwide nature of the Air Force mission necessitates directing thousands of military members to make permanent change of station moves each year. Our people should not be expected to bear this burden. Again, I ask your help and support in this area.

In conclusion, Mr. Chairman and members of the committee, we look forward with optimism to the period ahead. The eighties and nineties present challenges for manpower and personnel management. We are confident that with your continued help, the U.S. Air Force will succeed in attracting, training, and retaining the skilled men and women we need.

For our part, you may be assured that we will continue to aggressively pursue improved management methods and to insure that our programs are sound and cost-effective; and that we will work very closely with the members and staff of this committee to provide the information that you need to act on the programs that we propose.

I have with me today Lt. Gen. Andrew P. Iosue, the Deputy Chief of Staff for Manpower and Personnel; Maj. Gen. Richard Bodycombe, Chief of Air Force Reserve; and Maj. Gen. John B. Conaway, Director, Air National Guard.

With your permission I would like to give Generals Bodycombe and Conaway an opportunity to present a few brief remarks, but first General Iosue will present a short overview briefing. We are then prepared to respond to the committee's questions. Thank you for your attention.

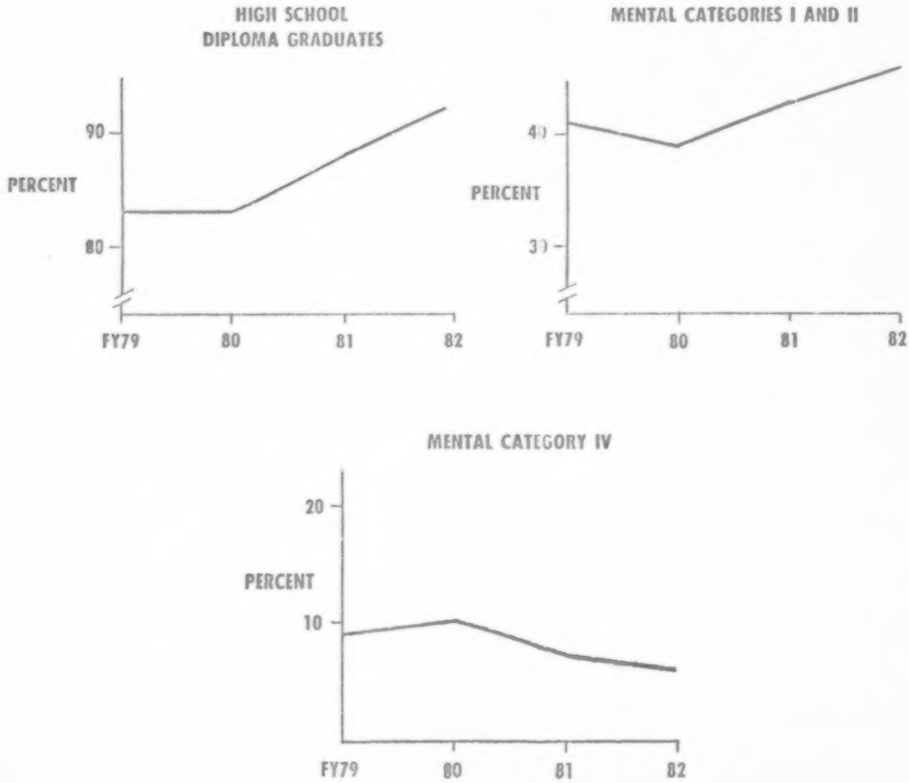
STATEMENT OF GEN. ANDREW P. IOSUE, DEPUTY CHIEF OF STAFF, MANPOWER AND PERSONNEL, U.S. AIR FORCE

General Iosue. Mr. Chairman, I appreciate the opportunity to be here before this committee. I want to thank you for your efforts on compensation, particularly last year.

OVERVIEW, RECRUITING, RETENTION, AND COMPENSATION

I am going to talk briefly about how we are doing on recruiting, retention, and the priorities we have in the compensation area.

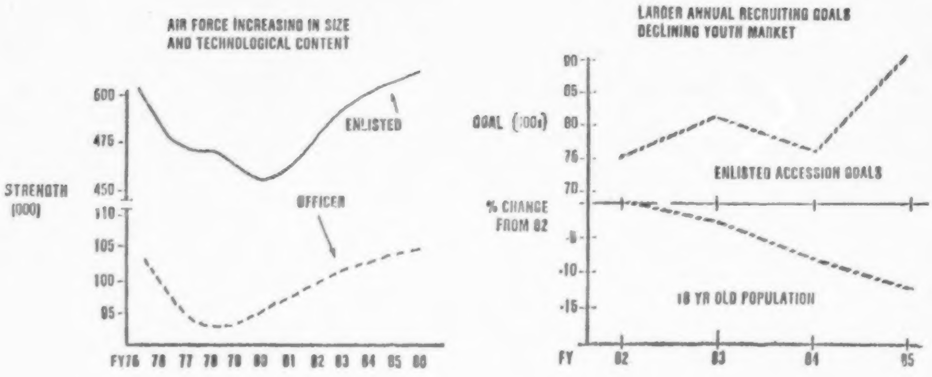
RECRUITING QUALITY



As you can see the trend lines are all going in the right direction. We measure quality entering the Air Force in three major areas: percentage of high school diploma graduates, mental category I and II the mental category IV. These are above average I and II, mental category IV indicates those below average intelligence.

As you can see, our high school graduates, the trend is up to 88 percent from 83 percent, 80 percent last year. This year we project 93 percent of those coming on board will have a high school diploma. Mental category I's and II's are up to 45 percent, mental category IV's are down to 6 percent.

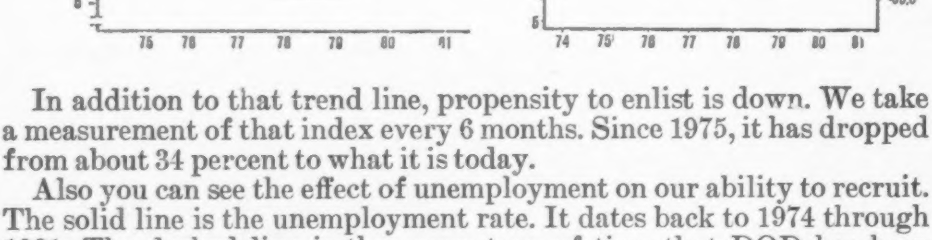
OUTLOOK FOR THE FUTURE



You mentioned the boom and bust. We don't want to draw 1 year of experience and project it out. We see some things happening. One, the Air Force is getting larger. We are going to increase by approximately 70,000 in the next 10 years, 10,000 officers, 60,000 enlisted. Increases are for readiness, sustainability, and modernization of the Air Force.

The increase will drive the enlisted or recruiting goals up—75,000 this year and in 1983 we will recruit some 81,000. It will go up in the out years to about 90,000. As we look out at our population from which we draw, you can see the percentage of 18-year-olds is decreasing from 2 million down to 1.7 million. There will be a 14-percent decrease in that population.

FUTURE RECRUITING CONCERNS



In addition to that trend line, propensity to enlist is down. We take a measurement of that index every 6 months. Since 1975, it has dropped from about 34 percent to what it is today.

Also you can see the effect of unemployment on our ability to recruit. The solid line is the unemployment rate. It dates back to 1974 through 1981. The dashed line is the percentage of time that DOD has been able to meet its recruiting goals.

You can see in 1975 and 1976 when the unemployment rate was up it was the first time since the advent of the All-Volunteer Force that DOD met its goals. It dropped down here in 1979 because of the low unemployment rate; the Department of Defense came in 24,000 below the numbers required.

In 1981 and today we see that we have attained 100 percent of our goal. The unemployment rate has increased to about the 8 percent level. So there is that correlation between ability to recruit the numbers we require and the national unemployment rate.

RETENTION

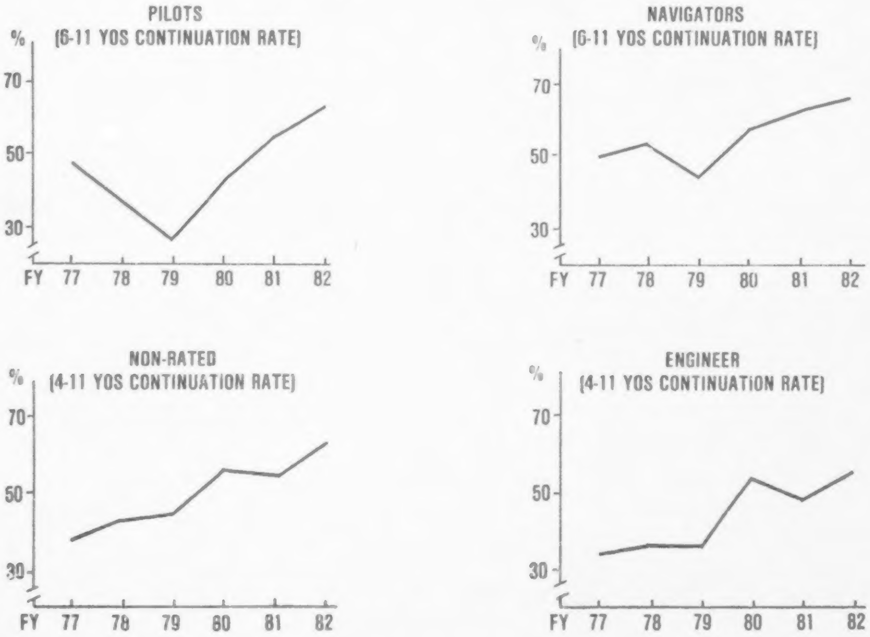
Officer retention up—pilot, Nav, nonrated; except engineers.
Reenlistment rates up—first term, second term, career.

Retention is up across the board, officers, pilots, navigators, and nonrated, and engineers. My projection is that we will increase in 1983 and retain the number of engineers necessary to do our job.

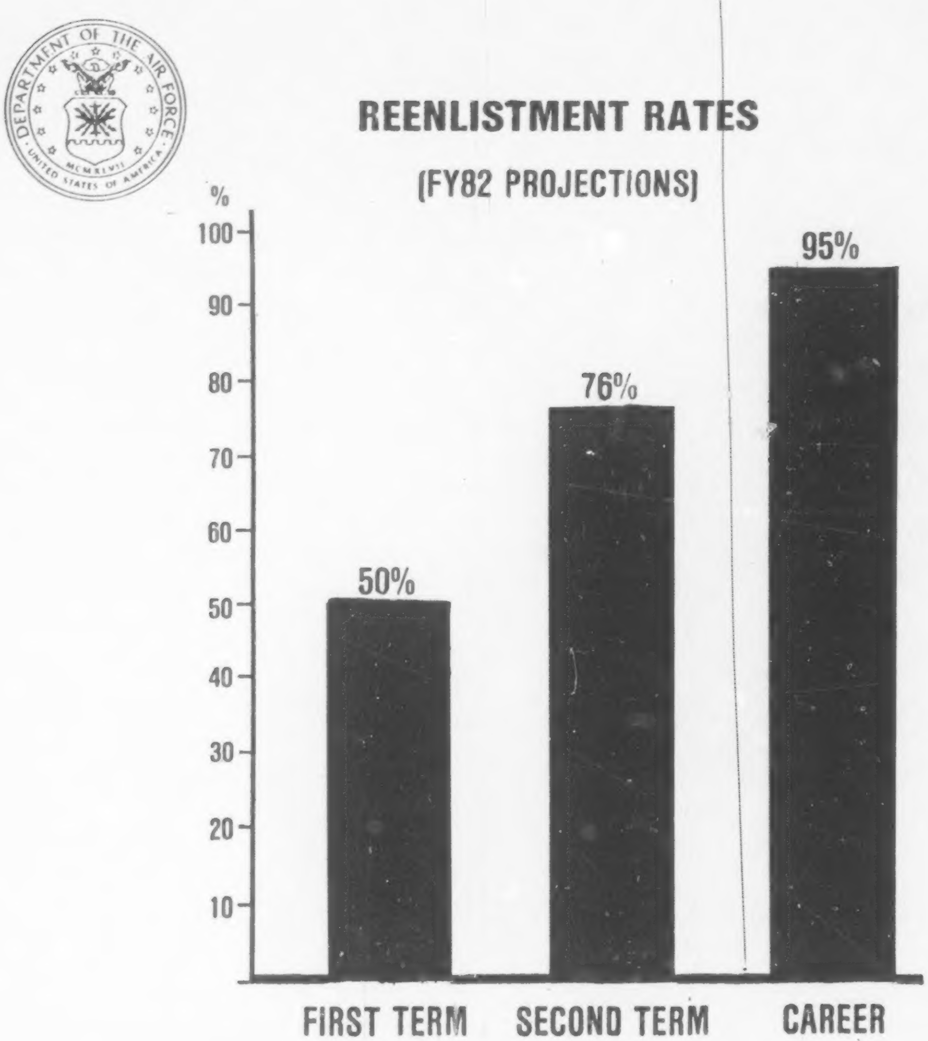
REENLISTMENTS

The first term and second term and career personnel are staying onboard in greater numbers.

OFFICER RETENTION



Pilots, 6- to 11-year group, you can see what happened in 1979 which was the lowest retention year in history. That has increased. We are up around the 65 percent area. Navigators are going up in the same direction. Nonrated officers are increasing. Engineers, although they have not gone above the high in 1980, our projection is that it will increase.



REENLISTMENT RATES

(FY82 PROJECTIONS)

The first-term reenlistment rate is above 50 percent, the highest in 5 years; second-term reenlistment rate, those who have between 4 and 10 years of service, you see that increase; and our career rate is staying at about 95 percent, equal to the point we had back here in 1977.

FUTURE RETENTION CONCERNS

1978–80 retention lowest in history—Pay was No. 1 dissatisfier.

Airline pilot hires equals 75–80 percent military.

Air Force saleable skills—6K computer technicians; 27K avionics specialists; 30K electronics specialists; 4K electrical/mechanical engineers; 83K aircraft mechanics.

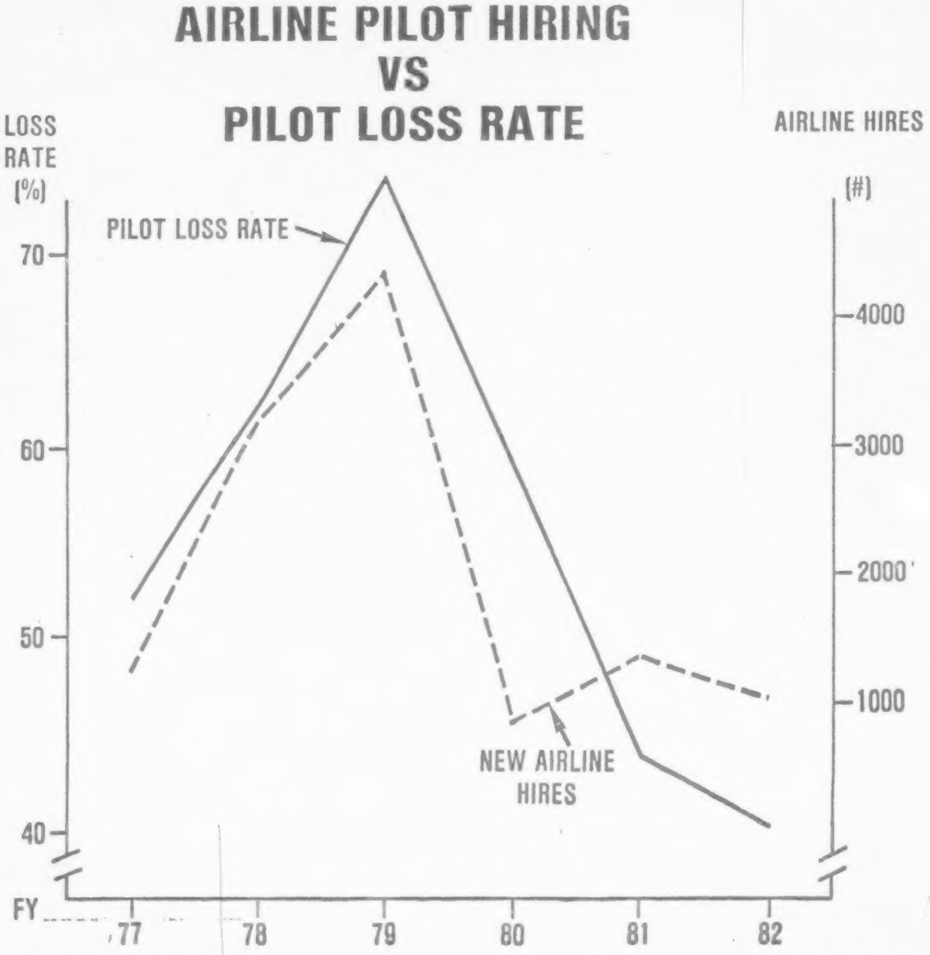
Private sector competition next 8 years—National shortages of 114K engineers, 70K aircraft maintenance technicians; 200 percent hardware growth in telecommunications, 400 percent in computers, 500 percent in robotics/automation.

As we look to the future, we see our retention trends now for both officers and enlisted personnel. What concerns us is the airline pilot hiring. There is a correlation between the number of hires and our ability to retain. I will show you that correlation on the next slide.

The Air Force, unlike the other services, has skills which are transferrable, skills which are saleable, skills which are in great demand in industry. Here are some examples; 30,000 electronics specialists, 27,000 avionics specialists, and 4,000 electrical and mechanical engineers.

As we project the needs of industry over the next 8 years, you will see the demands that are going to be placed on those kinds of skills. They are going to look to the Air Force to fill some of those vacancies as enlistment terms expire.

You can see the growth in hardware, telecommunications and computers, robotics and avionics. They will come to our electronics specialists and avionics specialists.



As far as the airline industry goes, there is a correlation between the number of hires and our ability to retain. The loss rate is the solid line. In fiscal year 1979 approximately 3,700 pilots left the U.S. Air Force. You can see the airline hires. They hired over 4,000 pilots. Seventy-five percent of those pilots they hired had military experience. As the bottom fell out of the airline industry, our retention rate increased. Now they are hiring about 1,000 per year and we have the best retention rate in history.

If this goes up, we anticipate that our retention rate will slow down somewhat and the airlines will go after our pilots.

REASONS FOR RETENTION TURNAROUND

Economy
  Recession, unemployment.
  Airline cutbacks.
Improved compensation.
Congressional support/public attitude.

I show this to point out the correlation between the airline hiring trends and our ability to retain pilots. As far as compensation is concerned, we thank you for our gaining comparability for the first time since 1972. We need to maintain that comparability. We don't want to take a step backwards and get back to the point we were in the midseventies.

COMPENSATION PRIORITIES

Pay comparability.
Reimbursement for out-of-pocket moving expenses.
Stable retirement program.

We have asked for improvements in this area out-of-pocket expenses for moving and Secretary McCoy has mentioned the importance of maintaining a stable retirement program.

REIMBURSEMENT FOR MOVING

Members incur substantial "negative reimbursement"—$280 million out-of-pocket expenses annually.
Impacts retention.

Initiative

Member mileage allowance.
Dependent mileage allowance.
Household goods weight allowance.
Storage of POVS.
Increased family separation allowance.

Our members incur about $280 million in expenses out of pocket to pay for directed moves. As an average, a staff sergeant who moves spends $1,250; a captain, $1,750 over and above what he receives in travel expenses. It does impact on our ability to retain people.

We need to offset that $280 million total. We have taken some initiatives. We have asked for an increased mileage rate. We pay 13 cents a mile. I think the national average runs about 22 cents a mile. We would like to increase that to 16 cents a mile. Dependents' mileage is currently 3½ cents per mile for those under 12 years of age and 7 cents for 12 or older; we would like that raised to 7 and 10 cents per mile, respectively.

The household goods weight allowance table was established in 1968. Thirty percent of our people incur out-of-pocket expense because of overweight shipments, about $500 per member.

We would like storage of private vehicles. When they are directed to a remote area, they store or sell in many cases their vehicle at a loss or if they do store it the expense is out of their pockets.

Family separation, $30 a month. The actual cost runs $90 to $120 a month. We would like to increase that to $65 per month.

Those are some of the initiatives from the 1983 budget to offset the out-of-pocket expenses for moving our people.

RESERVE AND GUARD

We do have representatives in the Reserve and Guard. The Guard strength is 99,000. They anticipate they will grow by 8,000 over the next 5 years. The Air Force Reserve strength is around 63,000. They should go up to about 72,000. They do have a sizable portion of the Air Force mission, in fact in some cases more than half of the total Air Force mission. Tactical recon, 54 percent, 66 percent of the fighter interceptor mission. Forty-nine percent of the strategic airlift.

They are getting aircraft directly off the assembly line. You can see these aircraft are going directly to the Guard and Reserve units to replace those aircraft, the older ones we are retiring.

SUMMARY

Recruiting.
Retention.
Pay and compensation:
  Comparability.
  Out-of-pocket expenses.
  Retirement.

In summary we are doing very well. We have the best year going for ourselves in our history. The trend lines are all in the right direction. On pay and compensation our priorities are to retain the comparability we have gained for the first time and to offset the out-of-pocket expenses that our members incur.

[The prepared statement of Hon. Tidal W. McCoy and Lt. Gen. Andrew P. Iosue together with the accompanying charts follow:]

PREPARED JOINT STATEMENT OF HON. TIDAL W. MCCOY, ASSISTANT SECRETARY OF THE AIR FORCE, (MANPOWER, RESERVE AFFAIRS AND INSTALLATIONS) AND LT. GEN. ANDREW P. IOSUE, DEPUTY CHIEF OF STAFF, MANPOWER AND PERSONNEL, U.S. AIR FORCE

I. INTRODUCTION

Mr. Chairman and Members of the Committee: I appreciate this opportunity to appear before you to discuss manpower and personnel issues of the United States Air Force for fiscal year 1983. Our collective efforts on both sides of this table will, in large measure, determine the preparedness of the United States Air Force. Our success in attracting young people in the right numbers and of sufficient quality, and in training and using them on flight lines, bases, and in laboratories, is the key to maintaining a strong Air Force.

Last year, the Air Force requested significant improvements for recruiting, training and sustaining our people in both the active and the Air Reserve Forces. I wish to thank this committee for supporting and authorizing many of these requests. The leadership of the members and the professionalism of the staff were the catalysts responsible for rebuilding our battered manpower situation. Clearly, the improvements which you have authorized have had a positive impact. We are working now to continue on this positive track. It won't be easy because several trends currently in our favor, such as high unemployment rates, lowered airline hiring rates, and a sizable youth cohort will turn against us. Any other factors such as public sentiment or a shortage of funds for parts, training and weapons could change and impact adversely on Air Force recruiting and retention.

Moreover, in fiscal year 1983, we are increasing military strength to meet the requirements of modernization, improvements in wartime readiness and sustainability, security, training, and the Air Force's continued aggressive commitment to the Total Force.

There is a widespread perception that personnel costs are excessive and running out of control. This is simply not the case. Overall, personnel costs as a percentage of the Air Force's total budget have been steadily declining. For example, in 1974 personnel costs—including military retired pay—represented more than 55 percent of the Air Force's Total Obligation Authority; in 1983 these costs will represent less than 37 percent—a decline of 18 percentage points.

We are very conscious of our stewardship obligations with regard to personnel costs and personnel utilization and are doing our utmost to use our resources efficiently and effectively. Consequently, the initiatives and programs which we are discussing with you today are the minimum required to assure that we continue the current positive recruiting and retention trends. These initiatives will require increased dollars, but we believe that the costs will be more than offset by gains in recruiting, morale, retention, productivity and force readiness.

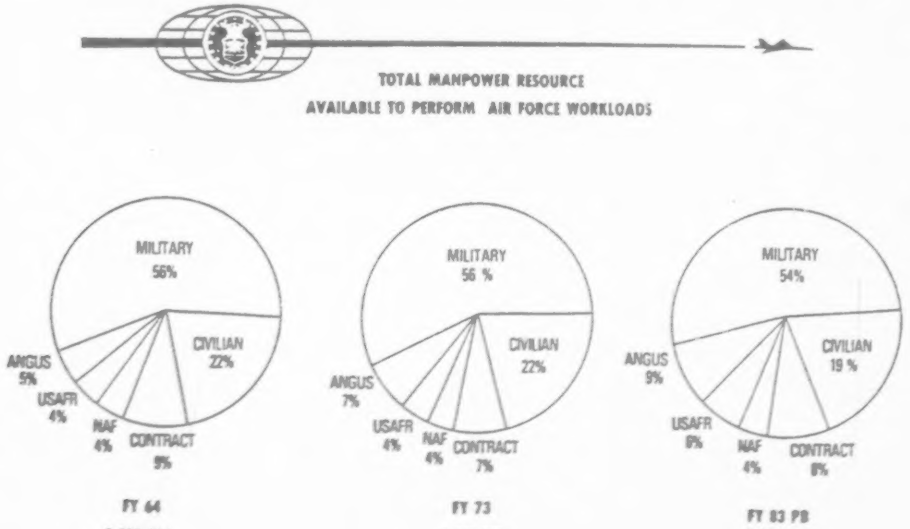
The retention of our high quality, well trained and thoroughly experienced people remains our top priority and is the key to readiness. As we expand the force in the 80s, extraordinary retention will be needed to close the experience gaps that developed in the late 1970's. Additionally, in any future crisis, we cannot rely on having time to get ready; we must be ready. Our emphasis on maintaining the current retirement system, pay comparability, compensation initiatives, reimbursement for relocation expenses, and quality-of-life improvements is reflective of this need.

My statement will address each of these items in detail beginning with our manpower requirements for fiscal year 1983.

II. AIR FORCE MANPOWER REQUIREMENTS FOR FISCAL YEAR 1983

The Air Force's active military, civilian and Reserve forces manpower requirements represent a balanced mix within the President's Budget request for fiscal year 1983.

As shown below, despite a decrease of more than 25 percent in total end strength compared to the pre-Vietnam era, the mix of Air Force military personnel, civilian employees and contract man-year equivalents has remained relatively stable. Our consistent, analytical approach to defining wartime and peacetime manpower requirements contributes to this stability. The mix also reflects an increased reliance on the Reserve components as a direct result of the successful implementation of the Total Force Policy.



In fiscal year 1983, we continue the increases in active military manpower that we began in fiscal year 1981, the first increase since 1968. Our civilian end strength in fiscal year 1983, after increases in fiscal year 1981 and fiscal year 1982, returns to the decreasing trend we had experienced since 1967. Manpower for our Reserve components continues to grow in fiscal year 1983. The table below compares our manpower program in the fiscal year 1983 budget against assigned strength at the end of fiscal year 1981.

[By fiscal years]

	1981 actual	1982 estimate	1983 budget request
Active Military	570,302	580,800	600,000
Selected Reserve	159,858	163,836	168,381
ANGUS[1]	(98,293)	(100,000)	(101,781)
Drill pay	(95,359)	(96,788)	(96,623)
FTAD[2]	(2,934)	(3,312)	(5,158)
USAFR[1]	(61,565)	(63,736)	(66,600)
Drill pay	(61,082)	(63,264)	(66,121)
FTAD[2]	(483)	(472)	(479)
Civilian	246,165	247,703	243,346

[1] ANGUS/USAFR technicians are also included in civilian totals (29,230 in fiscal year 1983).

[2] Full-time active duty.

Active duty military

The military manpower program included in the President's Budget for fiscal year 1983 reflects a 19,200 increase. This increase is required to support the continued modernization of our general purpose forces; new weapons systems such as the Air Launched Cruise Missile (ALCM), Compass Call, Ground Launched Cruise Missile (GLCM), EF-111, AWACS, and TR-1; wartime readiness initiatives; increased security of nuclear weapons; and increased medical and training support. These increases are partially offset by the phase down of some of our B-52D aircraft.

Civilian

The civilian manpower program, approximately 20 percent of our total manpower resource, represents an important element of the Air Force's ability to support and sustain its wartime capability. An in-service depot maintenance capability is retained to provide a flexible, productive industrial repair base, capable of expansion during wartime, to support our fighting force. Also included in Air Force civilian end strengths are 29,230 Air Reserve Forces Military Technicians—members of the Air National Guard and Air Force Reserve—who serve in their units on a full-time basis as dual-status civilians in peacetime, and become active military members upon mobilization.

The 4,357 net decrease in civilan end strength in fiscal year 1983 is primarily the result of reductions levied on the Air Force to meet OSD/OMB civilian ceiling constraints.

Air Reserve Forces

The increased levels in the Air Reserve Forces required in fiscal year 1983 are a result of continued force modernization and improved manning levels.

Contracting

Contracting for accomplishment of commercial activities continues as a part of our overall effort to reduce Air Force operating costs. Workloads are considered for potential contract performance when a formal review procedure determines they do not require military or in-service civilian personnel. This review ensures that our combat readiness is not compromised before workloads are programmed in the budget process for an OMB Circular A-76 comparative cost analysis. Such studies compare the total government cost of the most efficient in-house operation to the total cost of contracting for such services. The decision to perform a function in-service or by contract is based upon the result of the cost study—the more cost-effective method of performance is selected. Subsequent contractor performance is continually monitored to ensure that we continue to receive the most service for the lowest cost.

Our fiscal years 1980 and 1981 cost comparison programs have thus far resulted in 137 contract conversion actions at a cost advantage to the government of over $186 million. The strong pressure exerted at command level to ensure the most efficient and cost effective in-house estimates has resulted in a cost advantage of over $27 million for those 54 functions which remained in-house.

In fiscal years 1982 and 1983, we will conduct over 500 cost comparison studies involving about 10,000 manpower authorizations. These and subsequent studies will comply with section 502 of the fiscal year 1981 DOD Authorization Act. Congressional notification of the fiscal year 1982 cost comparison program was made in February 1982, and we anticipate announcement of the details of the fiscal year 1983 program soon.

The Air Force is a leader in effective management of the cost comparison program for contracting commercial activities under OMB Circular A–76. We have been successful with this program because of the rigorous review process we employ to determine the eligibility of activities for contract and the overall impact on wartime capability. The Air Force is also approaching and, in fact, may already have reached its maximum capability to conduct cost comparison program studies without significant additional resources. It now takes approximately two years from announcement of a cost comparison program to completion of all studies. The addition of continually larger programs builds up a bow wave of studies which tax available resources.

The Air Force supports continuation of a moderate contracting program. However, the imposition of additional large-scale contracting objectives poses a risk of degrading our wartime capability and flexibility or forcing us to begin to infringe upon institutional support programs such as commissaries and morale and welfare type activities. The Air Force, therefore, seeks relief from increasingly larger programs.

End-strength management

I would now like to address an area of force management which requires assistance from the Congress. Presently, our active duty military end strength is the only portion of our forces controlled by an inflexible, one-day ceiling. The Congress has provided the Secretary of Defense with the flexibility to exceed the civilian end strength by two percent when it is in the national interest. The Air Reserve Forces are authorized an average strength, which provides flexibility in managing those forces.

The statutory requirement to meet an inflexible active Air Force end strength on one day of the year (30 September) often dictates inefficient management practices, particularly when our forces are stable or are growing. There are inherent uncertainties in military personnel management: unpredicted reenlistments and extensions (improved retention) are not always offset by separations and retirements. Also, many persons on the rolls on 30 September will be off the rolls on the following day due to retirement or separation. With a declining force structure, such as occurred for the 13 years between fiscal year 1968 and fiscal year 1981, the situation was not a serious impediment since we were managing toward a reduced force structure and early separations and delayed accessions aided in meeting the following year's lower requirements. However, the situation becomes unrealistic and inefficient with a stable or growing force structure. The delay of needed accessions until after a fixed 30 September end-strength count may underutilize the training establishment and may delay the scheduled fielding and support of new systems with trained personnel. The requirement to meet a one-day ceiling could also force the Air Force to lose the experienced personnel needed in a growing, modern force.

The Air Force initiated a proposal for inclusion in the fiscal year 1983 DOD Authorization Bill, which will provide the Service Secretaries and the Secretary of Transportation for the Coast Guard with the flexibility to exceed the military end strength by 1.5 percent when in the national interest. This is similar to the 2 percent authority provided to the Secretary of Defense for civilian end strength. We solicit your support for this provision.

III. MILITARY PERSONNEL MANAGEMENT

We must continue to pursue aggressive military personnel management policies regarding recruiting, retention, compensation, and institutional supports for our people. Should we fail to continue our improvements in these areas, we could easily and quickly suffer a reversal in retention trends and return to the brink of disaster we were facing less than three years ago.

Demographics

Our people are top-quality and they need to be. Their education surpasses that of any other similar group in the United States. More than 93 percent of our enlisted members have a high school diploma, and over 8 percent have two or more years of college. The average Air Force NCO is 28, married, has two children, over one year of college, and seven years in the Air Force. Our average officer is 34, married, has one child, and holds a college degree; 42 percent have advanced degrees. Air Force members are dedicated people; many routinely work 12 hours a day. Our most difficult challenge is to attract and retain these topflight young men and women in the active and Air Reserve forces. Sufficient numbers of high-quality members are essential to our ability to successfully operate and maintain the more sophisticated weapon systems that are entering the inventory under our force modernization program.

Recruiting

In fiscal year 1981, the Air Force met all its recruiting objectives with the exception of engineer and physician specialists. We accessed 6,800 new line officers and a combined total of 81,000 non-prior service and prior service recruits. One of the difficulties in recruiting engineers is the disparity in wages between the $18,400 which we can offer a second lieutenant versus the $23,000 annual average starting salary industry is offering engineers. We have undertaken numerous initiatives to increase the number of Air Force military engineers including an education program to provide engineering degrees to new officers with scientific degrees. The effects of the additional ROTC scholarships authorized by Congress are beginning to be felt in an increased flow of engineering officers into the Air Force. Continued funding for these scholarships is essential. Recruiting of physician specialists is hampered by the strong demand in the civilian sector. The Air National Guard and Air Force Reserve met and exceeded their end-strength goals although some critical-skill shortages still exist.

Recruiting quality continues to be high. All of the line officers accessed in fiscal year 1981 had at least a baccalaureate degree. Eighty-three percent of the fiscal year 1980 non-prior service recruits had a high school diploma; in fiscal year 1981, 88 percent had a high school diploma. Possession of a high school diploma is a significant predictor of first-term retention since recruits without a diploma attrit at about twice the rate of those who do.

Our recent recruiting success is due to a number of factors which have been working in our favor. In addition to adequate, well-manged recruiting resources, military pay has been restored to comparability levels and civilian unemployment has remained high. However, we cannot expect current economic conditions to continue indefinitely. When unemployment rates moderate, civilian demand will increase for the very kinds of high quality people we are seeking for the Air Force. In addition, the recruit-eligible population is declining at the same time as Air Force recruiting goals are increasing.

In fiscal year 1983, we will be recruiting more enlisted personnel with prior military service and will be seeking officers in high-demand skills such as engineers and physicians. The following table compares our recruiting objectives for fiscal year 1982 and fiscal year 1983.

[By fiscal years]

Recruiting objectives	1982	1983
Enlisted:		
No prior service	69,000	71,300
Prior service	6,000	10,000
Officer training school (OTS)	3,279	4,685
Health professionals	1,927	1,337
Total	80,206	87,322

As recruiting becomes more difficult, it is increasingly important that we use our best people as recruiters. Of all the Services, only the Air Force has been able to maintain an all volunteer recruiter force, but its continuation is tenuous. As a recent Army study shows, volunteer recruiters are significantly more effective than nonvolunteers. To insure we can get and keep enough top-quality volunteers, we need to provide an enhanced incentive pay in recognition of the unusual, critical nature of recruiting duties. The existing rate of recruiter special pay has been fixed since 1974 and has lost much of its incentive value. Accordingly, we plan to propose an initiative in this area which will bring dividends in getting and keeping the right people in this demanding field.

In summary, our recruiting objectives for fiscal year 1983 will increase by nine percent. We are requesting only one percent growth in the fiscal year 1983 budget to handle this increased workload. Obtaining the numbers and quality needed will tax our recruiting resources. However, retaining these people for an Air Force career represents a more difficult leadership challenge.

Retention

Across the board, Air Force retention is up, influenced largely by aggressive internal Air Force retention programs, the recent catch-up pay raises, the current state of the economy, and by a renewed national sense of patriotism and appreciation for the military. However, we must sustain the recent retention improvements to eliminate shortages in critical skills and rebuild the experience base we lost during force reductions and low retention of the late 1970's. Recent history clearly illustrates how neglect of compensation and quality-of-life programs will quickly affect retention.

Officer Retention.—The trend toward continually decreasing retention bottomed out in fiscal year 1979 with improvement evident in fiscal year 1980 and continuing in fiscal year 1981. However, shortages and low experience levels in critical-skill areas persist. Current officer skill shortages are depicted below.

OFFICER SHORTAGES

	Pilots	Navigators	Engineers	Physician specialists
Fiscal year 1980	1,100	300	1,100	100
Fiscal year 1981	1,100	600	1,000	200

At present retention levels, pilot and navigator shortages are expected to continue through fiscal year 1988. We have prioritized our manning to insure that necessary strength levels are maintained in flying units and other critical areas. With improved recruiting and retention success, engineer shortages could be overcome in fiscal year 1985. Although total physician manning approached authorizations in fiscal year 1981, shortages of critical specialists persist. A number of factors including better recruiting success, improved special pay, and higher output from training programs should result in significant improvement in critical specialty manning by fiscal year 1987, but shortages in medical specialties will continue throughout the foreseeable future due to lack of competitiveness in salaries.

The table below depicts historic continuation rates at the career points which are most significant for officers.

OFFICER CONTINUATION RATES

[By fiscal years, in percent]

	1977	1978	1979	1980	1981
Pilots (6 to 11 YOS)	48	38	26	42	54
Navigators (6 to 11 YOS)	49	53	44	57	62
Nonrated Line (4 to 11 YOS)	39	43	44	56	54
Engineers (4 to 11 YOS)	34	36	36	53	47

Retention of pilots and navigators improved and the voluntary retirement rate declined from 24 percent in fiscal years 1979 and 1980 to 18 percent in fiscal year 1981. These retention improvements must be sustained in the long term, and pilot and engineer retention must be increased above the fiscal year 1981 levels. Continued extraordinary retention levels are one key factor in restoring experience levels. The rebuilding job is significant. For example, since 1976, the average flying time declined by 10 percent for pilots and 14 percent for navigators. The average years of service declined by 12 percent for nonrated officers. Restoring these experience losses is a long-term effort and will require continued attention and support by the Congress.

Enlisted Retention.—As with the officer force, enlisted retention improved in fiscal year 1981 over fiscal year 1980. Overall manning is generally good, but there are shortages, particularly in the mid-level leadership grades in some career fields. We have a sizeable shortage in the NCO supervisory grades of E–5 through E–7 in critical war fighting skills. There are 11,000 NCO shortages in 65 such skills, including aircraft systems maintenance, munitions weapons maintenance, avionics, missile electronics maintenance, communications-electronics, and intelligence. Similar skill shortages exist in the Air National Guard and Air Force Reserve, although generally in lower grades. Recent reenlistment trends are provided in the following table.

REENLISTMENT RATES

[By fiscal years, in percent]

	1979	1980	1981
1st term	38	36	43
2d term	60	63	72
Career	91	92	94

We need to continue to improve retention levels in order to restore the significant enlisted experience decline of the 1970s. From fiscal year 1977 to 1981, while Air Force enlisted end strength declined only one percent, our experience dropped nine percent. This means a loss of 305 thousand man-years of experience. We lost one out of every four E–8 maintenance supervisors in fiscal year 1979. So, while our overall retention has improved, we must not lose sight of the important experience losses in our war fighting skills. These are the kinds of skills most costly to train and most readily transferable to the private sector.

The Air Force is taking a number of steps to eliminate shortages in critical skills. Key among these are targeting Selective Reenlistment Bonuses (SRBs), higher promotion opportunity and retraining to the shortage skills. We expect these actions will reduce shortages from 11,000 in fiscal year 1982 to 3,000 by fiscal year 1984.

The SRB program has contributed significantly to the higher reenlistment rates. However, as we are concerned that the recent change to installment payments instead of lump sum payments will increase losses, we favor continuing with the lump sum payment. A recent GAO report highlighted the loss of SRB monies through failure to recoup payments from members separating prematurely or being utilized outside their bonus skills. This is an extremely small problem in the Air Force—only $36,013 was not recouped in fiscal year 1981. This is less than .03 percent of the Air Force fiscal year 1981 SRB program. We are taking action to reduce this further.

Compensation

The October 1981 pay raise essentially restored military pay to the relative levels of comparability with the private sector that existed at the advent of the All Volunteer Force (AVF) in 1972. Having achieved this, it is now extremely important that we ensure that the military pay raise process is stable and predictable and, above all, fair to our people in uniform.

An important retention incentive for which we are requesting funding in the fiscal year 1982 supplemental and the fiscal year 1983 budget is the engineer continuation bonus. The Air Force developed an Engineering and Scientific Career Continuation Pay (ESCCP) plan designed to reduce the loss of engineering and scientific officers after completion of their initial active duty service commitment. To qualify for this bonus, officers must meet specific eligibility criteria and be performing duty in a critical skill which has a current shortage—Aeronautical, Aerospace, Astronautical, Electrical, Mechanical, and Architectural Engineering. Since our greatest loss of engineers is among officers with 4–12 years of service, the bonus is targeted to those year groups. About 1,500 officers will be eligible for ESCCP. Initial estimates are that we will reduce our engineering officer loss rate by 50 perecnt in these year groups, thus enabling us to meet our requirements by 1986.

The Air Force's fiscal year 1983 Enlistment Bonus (EB) and Selective Reenlistment Bonus (SRB) budgets are slightly higher than fiscal year 1982. The EB budget increases from $2.3 million to $2.9 million and represents a slightly higher number of EB requirements but no increase in authorized skills. Although there are fewer reenlistees receiving the SRB, the SRB budget increases from $114 million to $119 million due to a different mix of members at higher payment levels. These relatively small increases reflect the Air Force's need to continue to provide an incentive to encourage enlistments in hard-to-fill skills and to meet career force requirements in critical skills such as air traffic control, integrated avionics, aircraft maintenance, and computers.

An important incentive which will have a positive impact on the morale and retention of our enlisted force is an initiative for payment of Basic Allowance for Subsistence (BAS) for Career NCOs. NCOs/supervisors in grades E–5 and E–6 consider it particularly demeaning to be required to use a government mess while their married junior enlisted counterparts may eat where they choose. Official duties often prevent attendance at regularly appointed meal hours (e.g., aircraft refueling, unloading, emergencies, firefighting, security incidents), and, as a result, the compensation value of subsistence in-kind is substantially diminished by the number of meals that are missed. To provide special recognition and to improve the morale and retention of these highly-skilled NCOs, we are including funds for BAS for E–5s and above in the fiscal year 1983 budget.

Retirement

The retirement program is the most vital element in force management and contributes significantly to readiness. The retirement system insures that a trained, experienced pool of manpower will be available for immediate recall during national mobilization. Further, it provides the foundation for a strong system of institutional entitlements necessary to partially offset the extraordinary conditions of military service. The retirement program facilitates personnel management by insuring a young, vigorous force while providing meaningful promotion opportunity. Its effectiveness as our most valuable retention incentive was highlighted in a recent member survey which identified the retirement program as the most important factor in the career decision. Even rated officers ranked "chance to fly" as distinctly second in importance.

Any degradation in retired pay levels could do irreparable damage to the usefulness of the retirement system as a force management tool. Changes which members perceive to be arbitrary or inequitable will inevitably frustrate the purposes of the system and have an adverse impact on readiness. We must avoid changes which might yield near-term cost savings but are certain to result in increased accession and training costs, declining experience levels and, ultimately, readiness. Because the Services are still suffering from shortages of experienced officers and enlisted members in critical combat operational and sortie-generating skills, we can ill-afford to weaken the retention gains now accruring from recent compensation improvements.

The Air Force supports a strong and stable retirement system. Any changes should result from a deliberate process and should not be supported unless they are based on valid personnel management and force structure requirements. Further, changes should "grandfather" members presently serving and honor commitments made to those currently retired.

PCS reimbursements

The world-wide nature of the Air Force mission necessitates directing thousands of military members to make permanent change of station (PCS) moves each year. We have worked diligently to hold these moves to a minimum. While the number of PCS moves has remained nearly constant, the cost has almost doubled in the past 4 years. In 1978, the Air Force had 300,000 moves costing $429 million. In 1982, the 310,000 required moves will cost $837 million, a reflection of the increased transportation and moving costs.

The vast majority of these PCS moves are essentially uncontrollable. For example, we must move people entering and leaving the service—about 99,000 will enter and 75,000 leave in fiscal year 1983. Further, approximately 90 percent of the 1983 PCS program (322,674) relates directly to accession, separation, training, and movement to and from overseas. The remaining 10 percent relates to operational moves required to sustain the force, necessary training in units, weapon system changes, correction of grade and skill imbalances, and relocation of units to improve combat capability. Today, Air Force members are serving an average of up to 9 months beyond the prescribed overseas tour lengths which means that members serving on a 36-month overseas tour are now averaging 45 months of service. In the CONUS, officers now average 38 months and enlisted members average 32 months between PCS assignments. That is an increase of 5 percent in the CONUS and 17 percent overseas in the last 5 years. We continue to strive for even greater stability and fewer moves.

One aspect of a PCS move presents a problem which sorely needs attention. This concerns the out-of-pocket expenses incurred by our people and their families because we direct them to move to meet Air Force requirements. The lack of adequate PCS travel reimbursements remains one of the most critical personnel issues facing Air Force people today. While several positive steps were taken in fiscal year 1981 and fiscal year 1982 to increase travel reimbursements, still more is needed to eliminate the estimated $280 million in unreimbursed out-of-pocket expenses paid annually by Air Force members to subsidize government-directed relocations. For example, a staff sergeant moving in late 1980 had median out-of-pocket costs of $1,250; a captain paid out-of-pocket expenses totaling $1,750. A recent survey indicates that nearly one-fourth of the Air Force members who are eligible for retirement would retire in lieu of making any move. This reluctance to move is also reducing the numbers of volunteers for overseas duty. In 1975, 70 percent of overseas requirements were satisfied by volunteers. By 1981, this was down to 26 percent. Failure to overcome the reluctance among military members to move portends diminished retention.

The pivotal factor is the need to recognize that the cost of PCS is a cost of doing business. Our people should not be expected to bear this burden. As first steps to overcome the disparity, the fiscal year 1983 budget provides for: an increase in the mileage allowance from 13 to 16 cents per mile for members; an increase in the dependent mileage allowance from 7 to 10 cents per mile for each dependent 12 years of age or older, an increase from 3½ to 7 cents per mile for each dependent 2–12 years of age; and an increase in the household goods weight allowance for E-7s and above (500 to 2,500 pounds per member depending on grade).

In addition, there was one significant compensation-related setback in fiscal year 1982 which is affecting the morale, retention, and hence the readiness of enlisted personnel. The loss of per diem equity for enlisted members through a funding restriction in the fiscal year 1982 DOD Appropriations Act represents a serious problem in terms of negative impact on morale. The application of this restriction to PCS moves constitutes a step backward in our efforts to eliminate negative compensation. I urge the Congress to completely eliminate this inequity and permit us to restore full per diem equity to enlisted members as soon as possible.

Institutional supports/quality of life

Military service places unique demands on its people and families. Terms of enlistment, extended tours abroad, 24-hour availability, frequent moves, family separation, possibility of armed conflict, loss of individual freedoms, and compliance with military standards, discipline and law are demands which are an integral part of the military's prime mission—combat. Service in the military is not predicated on a formal written contract or work rules as in the civilian sector. The military member accepts, as a condition of service, that the institution will provide for job and financial security, as well as family needs, and will assure that living conditions are reasonably comparable to civilian life. The military Services provide for these needs through commissaries, exchanges, housing, dining halls, medical and dental care, morale, welfare and recreation programs, and retainer pay in the form of retirement entitlements. These are not social programs in the civilian sense, but are institutional elements integral to military service which free the member of concerns regarding family members and future security. The Air Force is demonstrating to its members that their quality-of-life needs are being taken care of, and our members, in turn, dedicate their full attention to mission requirements.

Health care is an important element of institutional support. We must update our equipment and facilities and improve levels of support for health care providers, including staffing in critical health care specialties. High-quality health service is needed for Air Force members and their families. The family practice concept and the ability to provide dental care for family members are examples of the kind of quality care which is necessary. Currently, dental care for family members of our active duty people is very limited at a time when the private sector has expanded dental care coverage. Accordingly, we will be sending to the Congress a legislative proposal providing for preventive and basic restorative care for eligible family members. Other needed CHAMPUS improvements include establishment of individual and family out-of-pocket liability limits—a catastrophic illness cap of $1,000 each calendar year; eye examinations to check for diseases and visual acuity; and continuation of CHAMPUS coverage after age 65 as a second payer to medicare.

The institutional supports I have just covered are important elements of the military way of life and viewed as such by our service men and women. Experience has shown that any attempt to reduce or eliminate these institutional programs has a severe, detrimental impact on recruiting, retention, and readiness, and undermines those values which we know from experience are essential for success in combat. We cannot and should not expect military members to subordinate themselves to the organization and its mission, to remain available for duty 24 hours a day, and to risk their lives in combat unless we, in turn, assure them that their family needs are taken care of.

Education assistance

The Vietnam Era GI bill was terminated 31 December 1976 and replaced by a contributory program, the Veterans Education Assistance Program (VEAP). Because of its contributory nature and low benefits, VEAP has proven to be a poor recruiting incentive for the Air Force. We believe that in order to meet the long-term Air Force and DOD manpower objectives for the mid-1980's and beyond, a new education program will be necessary. The program which will best meet our needs for recruiting and retention will apply to all personnel and provide a noncontributory basic benefit, a second tier, noncontributory transferability, Selected Reserve coverage, and a provision for conversion by personnel currently on active duty. At present we are working with OSD and the other Services to determine what we can afford (in today's recruiting and retention environment).

The recruiting incentive aspect will improve the quality of initial enlistees, thereby reducing attrition and increasing both the number and quality of initial enlistees, thereby reducing attrition and increasing both the number and quality of personnel who reach the reenlistment point. The second tier of benefits should influence many high-quality, experienced personnel to remain in the Air Force. The transferability feature is also an important retention feature since surveys and interviews with officers and airmen in the field confirm that the option of transfer the benefit to dependents would be a very effective career incentive. Additionally, the current 1989 deadline on use of the Vietnam Era GI bill will increasingly hurt retention as personnel leave the service to use their benefits. The deadline should be changed to "ten years after release from active duty."

Air Force family support

We fully recognize the important impact the family has on the Air Force mission. The job morale of our married members and their career decisions are directly related to the support they receive from their families. Recognizing the important role families play in the mission, the Air Force is now working hard to build adequate and effective family support programs. The 1981 Air Force Family Action Plan contains many initiatives to improve support for Air Force families.

One of the most important of these initiatives is the fielding of base-level Family Support Centers. These centers provide a focal point for families at each installation, providing one-stop information referral and assistance. Five prototypes are now in operation at Kadena, Moody, Travis, Bitburg and Los Angeles. Our efforts to date have had a strong and favorable response.

Undergraduate flying training

Undergraduate pilot and navigator training is the heart of the Air Force. As you know, during fiscal years 1979 and 1980, we lost 6,200 pilots and 2,800 navigators—but only trained 2,600 pilots and 1,200 navigators during this same period. These low-training rates reduced the pool from which we build our experience levels. It is vital, therefore, that we maintain flying training rates at a level which will balance these rates against actual requirements. While maintaining these rates is vital, we are also working to improve training techniques and equipment.

We currently train all fixed wing student pilots in the T-37 and T-38 training aircraft. Presently all students receive essentially identical initial training which is a compromise between fighter, attack, reconnaissance (FAR) and tanker, transport, and bomber (TTB) requirements. Numerous independent studies have concluded that for training tailored for the specific final system, the FAR or TTB are both more efficient and more cost effective. Therefore, in fiscal year 1986, the Air Force will implement a Specialized Undergraduate Pilot Training (SUPT) program which will produce a better-trained and better-motivated pilot, reduce the cost of pilot training and conserve fuel. It will also extend the useful life of the T-38 trainer aircraft beyond the year 2000. Acquisition of 225 TTB trainers required for SUPT is less expensive than buying the 650 plus T-38 replacements which would otherwise be needed.

The aging T-37 fleet, a 1950's vintage aircraft, must be replaced because it is operationally deficient and numerically insufficient to meet future training requirements. The Next Generation Trainer (NGT), the T-37 replacement, will greatly enhance our pilot training capability. We therefore ask your support for continued funding.

Skill training

In the period immediately following the Vietnam Era, many enlisted training programs underwent reductions. We survived on a heavy experience base through the mid-70s, a period when the force was drawing down and we were bringing aboard fewer new recruits. Now much of that experience base is gone, and, as the force builds, the numbers of new recruits who need training is much greater. Training programs were unable to keep pace with requirements from 1979 through 1981. Our field commanders stated that while the skill training being given was effective, there was not enough of it and they were having to divert experienced people from mission requirements to conducting additional training. Our fiscal year 1983 budget contains funds for much-needed improvements in training for technical skills and increases in course length, particularly in flight line and sortie-producing skills. Reports of the GAO, the Defense Audit Service and the Air Force Inspector General link many readiness problem areas to deficiencies in training.

Drug and alcohol abuse control

Air Force policy is to prevent drug and alcohol abuse, rehabilitate abusers and restore effective functioning, and to assist those who cannot or will not be rehabilitated in the transition to civilian life. Both the Secretary and the Chief of Staff have reemphasized the Air Force's intolerance of drug abuse. We have comprehensive awareness and education programs coupled with aggressive identification procedures and effective treatment for members with problems. Our program emphasizes supervisory responsibility, education, prevention, identification, treatment and rehabilitation, and appropriate disciplinary action. We have reviewed accession policies to ensure consistent application of drug abuse standards and close screening of all recruits for current drug or alcohol abuse. Moreover, noncommisisoned officers are now under the same retention standards as officers with regard to drug abuse—that is, retention is not appropriate. Our efforts have been successful in achieving lowered levels of drug abuse. This was highlighted during a September 1981 House Select Committee on Narcotics Abuse and Control Hearing which singled out the Air Force program as achieving best results in drug abuse deterrence.

Equal opportunity and human relations

The Air Force continues to make significant progress in these areas. Since 1974, racial incidents have dropped 62 percent and discrimination complaints are down 80 percent since 1977. Minority representation is rising. Black representation in the enlisted force was 16.8 percent in fiscal year 1981 and Black officers reached 4.9 percent, up from 2.7 percent in fiscal year 1975. Regarding sexual harassment, Air Force policy is simple and was stated to the force in a joint memorandum from the Secretary and the Chief of Staff in the following words: "Sexual harassment is unacceptable conduct and will not be condoned or tolerated."

The Air Force is proud of its record regarding the utilization of female personnel. Since the start of the All-Volunteer Force, the number of women on active duty in the Air Force has increased by nearly 400 percent (from 16, 495 at the end of fiscal year 1972 to 63,645 at the end of December, 1981). Women now comprise 11.2 percent of the active force, the highest level of representation in any service. A steady expansion of female assignment opportunities has occurred since 1973 and all officer career fields are now open to women. They do not, however, perform some duties because of combat restrictions. For example, women are tanker and airlift pilots, but they do not fly fighters or bombers. The number of enlisted specialties in which women are not utilized has been reduced to five which are directly combat-related. Overall, 98 percent of all skills and 90 percent of all authorizations are open to Air Force women. A significant increase is planned in the number of women in the Air Force to an estimated total of 70,300 by the end of fiscal year 1987. The Air Force expects to retain its leadership position in the rate of female representation and in providing competitive career opportunities to military women.

General Officer issues

The Armed Forces Flag and General Officer Act of 1981, S-1906 was submitted to the Senate Armed Services Committee in September. Grade relief is the principal DOD concern. At the current ceiling, the 1981 Brigadier General list will not be exhausted until June 1982. The current ceiling is too low, and we request your support of S-1906 as an interim relief from the 1978 ceiling. DOD is now preparing a comprehensive legislative proposal on general and flag officer management. The proposed legislation would establish seven separate categories of accountability for general and flag officer strength. Included are provisions for: (1) Service-Specific Requirements; (2) Organizational Executive Staff Requirements; (3) Health and Legal Support Requirements; (4) Active Duty Reserve Forces Requirements; (5) Out-of-Service Department of Defense Requirements; (6) Reimbursable Officer Requirements; and (7) Recall of Retired Officer Requirements. These categories are established to provide a uniform framework within the Department of Defense through which oversight of the distinct requirements in each of the categories may be ensured. The proposed legislation presents a uniform and comprehensive structure which addresses the valid concerns of Congress while insuring the vital defense mission is not compromised.

IV. CIVILIAN PERSONNEL MANAGEMENT

Air Force civilians perform a broad range of defense tasks including supplying and maintaining aircraft and other weapons systems, conducting vital worldwide command control communications, research and development, medical care and maintaining and operating our bases. Our personnel management practices are geared toward sustaining civilian employee morale and productivity as they carry out the mission.

Air Force civilians are a critical part of the defense force and they make significant contributions to military readiness. Therefore, they expect and should be entitled to pay, benefits, and working conditions which are comparable to those which they could attain in their profession in the private sector. Programs which impact adversely on their pay and benefits have a detrimental impact on our ability to attract and retain the high quality people necessary to carry out the mission.

Staffing initiatives

As the result of an Air Force civilian personnel manning system study conducted in 1977 and 1978 by the Air Force Office of Civilian Personnel Operations and the Air Force Inspector General, we are increasing the timeliness and quality of staffing civilian positions. The key element is a Base-Level Staffing Plan at all local civilian personnel offices to provide a single cohesive approach. It provides a single employment document that incorporates the dynamics of the total employment situation with meeting the goals of mission and special employment programs.

We are establishing an Air Force-wide computerized skills bank; eliminating unnecessary procedural requirements that inhibit staffing timeliness; automating tracking of the time required to fill positions; reassessing and revitalizating training activities; and placing special emphasis on staffing activities in the program evaluation process.

Civilian engineer shortage

Our requirement for civilian engineers has increased 18½ percent over fiscal year 1979 and we are now 1,700 short of our needs. However, we are making good use of recruiting authorities obtained from the Office of Personnel Management (OPM), expanding internal engineer recruitment activities, and improving relationships with colleges and universities to develop better sources of qualified engineer candidates. We are also developing a more formal centralized recruitment effort in the Air Force and expanding our internal program. We must continually improve because we know that private sector competition for these and other highly-skilled people will increase.

Enhanced civilian work force efficiency and effectiveness

The Air Force has supported and aggressively implemented the performance appraisal and supervisory probation requirements of the Civil Service Reform Act of 1978. Senior executives were brought under the new system in October 1979. The appraisal system for general managers under the Merit Pay System began in October 1980. All remaining employees are covered by the new job-based appraisal system which started 1 October 1981. Early indications are that these new systems are working and increased efficiency and productivity will result.

We implemented the special probation period for supervisors during fiscal year 1980 and fiscal year 1981 with 5,163 supervisors and 292 managers placed on probation. Of these, 268 supervisors (5.5 percent) and 18 managers (6.1 percent) did not successfully complete probation and were returned to nonsupervisory positions or otherwise left the supervisory job. This is evidence that the program is working as intended.

Civilian work force effectiveness is also enhanced by our continuing efforts to prevent, reduce, and correct abuse of alcohol or drugs. Our civilian drug and alcohol abuse prevention program is similar to the program for military personnel. It stresses education, counseling, referral services, and rehabilitation. Other corrective actions, including removal, are taken when rehabilitation fails.

All newly appointed civilians are now given an Air Force pamphlet that spells out in simple language what is expected of them in terms of personal conduct, work place discipline, and obligations. All these initiatives are designed to sustain and enhance a civilian force that will continue to effectively support the mission.

Pay caps and ceilings

Congressional action in December to increase the pay cap to $58,500 for our SES employees and $57,500 for General Schedule employees provided welcome relief. However, past experience leads us to believe that unless there is positive action to separate Congressional salary increases from those of other Federal employees, the relief will be short-lived. Present law (P.L. 94–82) provides for Executive and Congressional increases at the time of the General Schedule increases each year in October. We strongly support legislation which will de-link Congressional and other Federal Executive pay increases, and at the same time, establish a different set of indices upon which to base Congressional salaries. This recommendation surfaced during the hearings on the "Federal brain drain," and we believe it is the solution to this long-term problem.

Senior Executive Service (SES) bonus restrictions

I am concerned about the restrictions on our Senior Executive Service performance awards. Bonuses have long been recognized as a motivational tool in the private sector. In order to be most effective and to encourage outstanding performance, bonuses must be attainable by a large portion of the population to make the performance message clear. The Civil Service Reform Act of 1978 authorized payment of bonuses to a maximum of 50 percent of authorized positions. In fiscal year 1980, bonuses were restricted to only 25 percent of an agency's authorized positions. In fiscal year 1981, this figure was lowered to 20 percent and applied only to eligible career employees. The Air Force supports restoration of bonuses to 50 percent of authorized positions to restore motivational effectiveness.

Comparability and the need for pay reform

The Air Force has consistently supported the principle of pay comparability for civilian employees. This principle is established in law, however, other laws and practices conflict with it, causing us to depart from comparability in many situations. For example, there are four major provisions of the current blue collar pay law which negate the principle of comparability and, hence, need change:

> The step rate structures for nonsupervisory/leader rates result in Federal pay being as much as 12 percent over local prevailing rates.
>
> The Monroney Amendment requires the government to establish "local" prevailing rates using wage data imported from different areas of the country when there is a "dominant" Federal industry in a particular locality, e.g., aircraft overhaul and repair. At Robins AFB, Georgia, for example, this results in increased costs of over $27 million per annum.
>
> There is a provision which prohibits the inclusion of wage data from state and local governments despite the fact that they now employ approximately 13 percent of the national work force.
>
> There is a requirement to pay uniform percentage night shift differentials of 7½ percent and 10 percent for second and third shifts despite the fact that this is not in conformance with practices followed in the private sector.

The Administration sent proposed legislation for Federal Civilian Compensation Reform to both houses on 24 March 1981. This legislative proposal provides the means of remedying these undesirable aspects of setting blue collar pay which results in a departure from the principle of comparability. Because of certain Congressional concerns, however, the President has stated in his fiscal year 1983 Budget message that he is withdrawing his pay reform proposal for further study, but will resubmit it for consideration for fiscal year 1984. We believe this new study will once again support the need for reforming those aspects of blue collar pay law just mentioned.

Benefits

We believe that civilian pay, retirement, health benefits, and PCS travel entitlements are eroding to the point where the objectives of fiscal economies may be more than offset by the adverse effect on civilian recruitment, retention, mobility and efficiency. Some current proposals to change the Civil Service retirement system will achieve economies and improve program administration. Other changes, however, will cause inequities to retirees and their survivors. Recent changes in the health benefits program have resulted in reduced health care coverage along with increased costs for our civilian force.

Another area requiring attention is our need to have a civilian force that is mobile to the degree required to meet mission requirements. For several years, however, the Air Force and other Federal agencies have experienced difficulty in inducing civilians to relocate. A study of civilian relocation allowances has been conducted and recommended changes are currently under review.

Civilian pay and benefits need to be addressed not just in terms of fiscal restraint, but in terms of the effect on maintaining the high quality civilian force we must depend on to meet mission requirements.

Affirmative action

We have had a successful year in increasing the number of minorities and women in the civilian work force. Minority employment within the Air Force increased from 19.84 percent to 20.66 percent, and the number of women employed increased from 33.3 percent to 34.3 percent during the past year. Minorities and women are integrated throughout our grade structure. Their numbers in grades GS 9–12 (our middle management positions) increased this past year as did the numbers in supervisory and senior positions at grades GS–13 and above. Our success is based on a management philosophy that requires the integration of equal employment opportunity requirements into our total recruitment and staffing processess. All people, regardless of their sex, race, or national origin, receive excellent training and have the opportunity to aspire to and achieve their highest potential.

Senior grade reductions

The fiscal year 1978 Defense Appropriation Authorization Act required a 6-percent reduction, over a 3-year period, in grades GS–13 to GS–18. The time period was subsequently delayed until September 30, 1982, and last year Congress repealed the full 6-percent reduction provision. The Air Force appreciates the action taken by the Congress. With or without the statutory controls, the Air Force through a positive position management program has always maintained the leanest senior grade posture in relation to total GS strength. The present percentage of senior grade positions, 9.2 percent, is the lowest of the Services. We will continue this effort and assure you that the absence of a statutory control will not cause any unjustified increase in civilian senior grade resources in the United States Air Force.

V. MANAGEMENT IMPROVEMENT INITIATIVES

We have always been proud of the everyday good management and high standards reflected in the Air Force. For years, Air Force people have been leaders in training, management innovation and either creation of, or acceptance of, new concepts. While effective, aggressive and economical programs are always important to the Air Force and the public it serves, they are uniquely critical at this time. On December 8, 1981, Secretary of the Air Force Verne Orr announced a new Air Force-wide initiative, the Integrity and Management Improvement Program, a program described as "an umbrella for many existing oversight, cost awareness, and incentive programs, adding new management emphasis and crossfeed to obtain efficiencies at all levels of the Air Force."

Personnel managers throughout the Air Force fully support the initiative announced by Secretary Orr and will continue to take their responsibilities very seriously and personally. They can also look back with pride at the actions they have already taken to improve management of Air Force resources. A few representative examples follow:

During 1981, Air Force people submitted 93.000 suggestions saving more than $107 million. Since 1973, the Air Force Suggestion Program has produced a ratio of dollars saved to dollars spent of 19-to-1.

The Productivity Investment Fund (PIF) Program buys or leases equipment and facilities valued at $100,000 or more with a four-year payback. Since the program began two years ago, twenty-three PIF projects with life-cycle savings or cost avoidance of $734 million have been approved by OSD. These projects are expected to generate a return on investment of over 6-to-1.

The Fast Payback Capital Investment Program (FASCAP) provides money for equipment valued at less than $100,000 with a 2-year payback. In 1980–81, 275 FASCAP projects with more than $60 million in life-cycle savings were initiated. These brought a return on investment of 7-to-1 for the Air Force.

In fiscal year 1981, through the Reserve Recall Program, we recalled to active duty 247 pilots, 74 navigators and 49 support officers whose training would have cost the Air Force an estimated $446 million to attain the same level of experience.

In fiscal year 1981, we also accessed more than 3.400 enlisted members with prior service who were directly assignable without basic or technical training; thereby avoiding approximately $41 mililon in training costs.

We implemented procedures to improve Civilian Personnel resource utilization through actions such as development of an Air Force-wide system to hire and reassign people between bases using a new data subsystem. For outstanding management of personnel information through its automated Personnel Data System—Civilian, the Air Force received the Office of Personnel Management Federal Productivity Award.

Air Force recruiting cost per accession in 1981 was the lowest of all the Services and 43 percent below the DOD average. Our recruiting objectives for fiscal year 1983 will increase by 9 percent, yet we are requesting only one percent growth in the budget to handle this workload.

Several programs were implemented to reduce PCS costs and turbulence (e.g., more than 24,000 individuals are currently serving on voluntary extensions of their overseas tours). Another program considers PCS costs in determining the stateside assignment for personnel returning from overseas and results in annual PCS cost avoidance of about $2.4 million. Other PCS initiatives have resulted in cost avoidances of approximately $70 million in the Air Force travel program in the last 5 years.

The Personnel Data System (PDS) has been the most significant factor changing Air Force personnel support over the past 20 years. The PDS has improved the flow of information between management levels and provided better access to information for decision-making. In implementing the PDS, the number of base-level personnel offices was reduced from 2,700 active duty military personnel offices to 124 today. Active duty military personnel staffs were reduced by 57 percent while the active force was reduced only 35 percent during the same period (1960–1980).

And as mentioned earlier, our cost comparison programs for fiscal year 1980 and fiscal year 1981 have resulted in 137 conversions to contracting which have saved over $186 mililon.

The sense of pride and responsibility embedded in our people has produced and will continue to produce real savings, lowered costs, and increased capability to do our job. We continually reevaluate the work place and the job; remain alert for and open to innovation; and accept no less than top performance. In summary, the Air Force is fully sensitive to our responsibility to the Nation to spend our allocated resources efficiently.

VI. CONCLUSION

In conclusion, Mr. Chairman, and members of the committee, as we face budget pressures, let's not cut pay for short-term gains. As Napoleon said, in war the morale is to materiel as three is to one. Let's fight to maintain this force. We are looking forward with optimism to the period ahead; the 80s and 90s present challenges for manpower and personnel management. We are confident that, with your continued help, the United States Air Force will succeed

in attracting, training and retaining the skilled men and women we need. For our part, you may be assured that we will continue to aggressively pursue improved management methods and to insure that our programs are sound and cost effective.

Senator JEPSEN. I thank you.

If you will now bear with me for about 5 minutes I will race over, cast my vote, and then we will be home free for a while and be able to continue so we will take a 5-minute recess.

[Recess.]

Senator JEPSEN. Major General Bodycombe or Major General Conaway, in whatever order you wish to proceed.

STATEMENT OF MAJ. GEN. JOHN B. CONAWAY, DIRECTOR, AIR NATIONAL GUARD, U.S. AIR FORCE

General CONAWAY. Thank you, sir.

On behalf of the Air National Guard it is a pleasure for me to appear before you and discuss the current manpower issues of the Air National Guard. I am proud to say, sir, that the Air National Guard Combat Readiness today stands at an alltime high. We have 91 major flying units and over 243 nonflying combat-ready units.

All units in the Air National Guard are committed to a 24- to 72-hour callup. We currently have nine of our major flying units in the Rapid Deployment Joint Task Force in addition to five of our communication units.

Training in the Air National Guard is currently in superb condition. This is due to the very close working relationship we have with the U.S. Air Force. Our training today is real-world training. It is global in nature.

The Air Force asks us as a full partner to participate in practically every major exercise that they have in addition to our deployments to Europe and to the Pacific. We have rotations that we are responsible for in such places as Mildenhall, England, Howard Air Force Base, Republic of Panama, Guam, and other points in Europe.

The Iowa National Guard, our outstanding A–7 wing with units at Des Moines and Sioux City, is committed annually for rotation to Howard Air Force Base in the defense of the Panama Canal Zone. They perform this mission admirably.

Our people at Fort Dodge perform missions all over the world, participating either individually or as a unit. Our cup truly runs over and our cooperation with the Air Force is at an alltime high.

Fifty-four of our flying units participated in Air Force Red Flag exercises including both of the Iowa units. Over two dozen of our units participated in Maple Flag, the Canadian equivalent of Red Flag. Units participated in Blue Flag and other such exercises.

This is a brief snapshot of the missions that the Air National Guard is participating in as a full partner today within the U.S. Air Force.

The Air National Guard has exceeded military strength levels, sir, during each of the last 3 fiscal years. We do not foresee a major change in this upward trend. We could not have accomplished our outstanding strength gains without the outstanding support of Congress and this committee in particular.

1982 STRENGTH PROGRAM GOALS

The fiscal year 1982 strength program is currently, I am proud to say, on target at approximately 99,000 men and women on board. We fully expect to meet both the fiscal year 1982 and fiscal year 1983 overall strength programs.

I might add that the Iowa National Guard is approaching 2,000 men and women, which is the highest strength that they have ever achieved and it is approximately 99.5 percent of their wartime strength. We are funded for 98.6 percent of our wartime requirement. They are 1 percent over what we are funded for and we are very proud of what they are doing.

Despite our apparent success in achieving our overall strength goals, there are problems in critical skill manning—where we are experiencing shortages in certain career fields. Our incentive program is helping to alleviate this problem and we solicit your strong support of this program, including the education part of the program.

On the recruiting side our efforts are currently directed toward precision recruiting where we recruit for validated unit manning document vacancies only with emphasis on our most critical shortages. Our commanders and base career advisers are also working to increase the retention of our highly skilled members, thereby helping us to maintain a high level of combat readiness.

To meet the great increase in critical skills that we need in the Air National Guard today with 362 A–7's and 600 F–4-type aircraft, General Iosue established an ad hoc group consisting of General Usher and myself to work on ways to enhance the critical skill fill rate in the Air National Guard.

I am proud to say that we have come, since the start of this ad hoc group last May, from an 83-percent critical skill fill rate of our direct mission producing skills to almost 90-percent critical fill rate today.

Sir, this concludes my remarks. We thank you for your support of the Air National Guard program.

[The prepared statement of Maj. Gen. John B. Conaway follows:]

PREPARED STATEMENT OF MAJ. GEN. JOHN B. CONAWAY, DIRECTOR, AIR NATIONAL GUARD, U.S. AIR FORCE

AIR NATIONAL GUARD: OVERVIEW

It is my pleasure to once again report to you on the current posture of the Air National Guard.

The Air Guard is at its highest readiness level in history, rapidly approaching a manning level of 100,000 men and women, military and military technicians and deeply committed to performance of both a State and Federal mission.

The State mission of the Air National Guard is to provide organized, trained, and equipped units to respond to orders of State authorities, to provide protection of life and property, and preserve peace, order and public safety. During fiscal year 1981, the Air National Guard was called upon 22 times to perform state duty for approximately 3,800 workdays. These missions involved support of civil disturbance control operations, such as strikes and nuclear protests, power outages, forest fires, and the California Med Fly operation. In addition, the Air Guard was called up 45 times to support the National Search and Rescue Service and was involved in 32 saves/rescues.

The Air National Guard's Federal mission, as part of the total Air Force, is to provide units of properly equipped and trained personnel for prompt mobilization whenever called upon in time of crisis. Our units also perform designated Air Force missions during peacetime, primarily as a by-product of training.

The Air Guard is manned and ready to carry out this dual mission. It is our belief that strength through readiness is the key to success.

The readiness of our flying units continues to remain high despite increased taskings and conversions to newer and more complex weapon systems. Military manning was approximately 98,300 at the end of fiscal year 1981 and is projected to be 100,100 by the end of fiscal year 1982 and approximately 101,800 by the end of fiscal year 1983. The Air Guard flys more than 1,600 aircraft in a variety of demanding missions ranging from Air Defense and Tactical Fighter and Airlift to Strategic Air Refueling and Rescue and Recovery. We participate as full partners with the active Air Force and the Air Force Reserve in carrying out these missions assigned by our civilian leadership.

In 1981, the Air Guard achieved the lowest Category A Aircraft Accident Rate in its history with a rate of 1.7 accidents per 100,000 hours of flying. Prevention of accidents requires a positive professional attitude and dedication to make the safety program work. Our people reflect both. The Air Guard is proud of its combat readiness, recent accomplishments, and genuine role in today's total Air Force.

POSTURE

Flying units

Air National Guard flying units are organized into 24 wings, 67 groups and 91 flying squadrons with more than 1,600 assigned aircraft. The continued strong support of the active Air Force is permitting us to replace older, less capable aircraft with more modern and sophisticated weapon systems. In the first quarter of fiscal year 1982, one OA–37 unit transitioned to A–10s, an F–105 unit converted to A–7s and two units upgraded from C–130As and C–130Es to C–130Es and C–130Hs respectively. In the second quarter, the Guard's only EB–57 unit converted to F–4s while in the third and fourth quarters the F–101 interceptors will be retired, with the two F–101 units converting to F–4s.

In fiscal year 1983, the Air National Guard will receive its first F–16s and will convert an A–7 unit to this modern weapon system in the fourth quarter. The multi-mission F–16 is an exceptional aircraft with a superior technological capability. Its introduction into the Air National Guard is another step forward in the continuing efforts to upgrade mission capability and achieve a general compatibility between Active and Air National Guard aircraft types.

Other modernization efforts in fiscal year 1983 include the conversion of an O–2 unit to F–4s in the first quarter and the conversion of the Air Guard's remaining F–105 unit to F–4s in the second quarter. This will complete the retirement of the F–105 tactical fighter from the Air National Guard. In addition to the introduction of the F–16, the fourth quarter will see the conversion of an RF–4C unti to F–4s and an increase in Primary Aircraft Authorization (PAA) for an RF–4C unit concurrent with the establishment of a Replacement Training Unit (RTU) for ANG reconnaissance assets. An A–7 unit will also increase its PAA from 18 to 24 aircraft.

As a result of these concerted modernization efforts, Air National Guard flying units make a substantial contribution to the total Air Force combat capability and will fulfill a large portion of force commitment during serious crisis. In fiscal year 1983, the Air National Guard will possess 66 percent of the total Air Force Air Defense Interceptor forces; 54 percent of Tactical Reconnaissance forces; 32 percent of Tactical Airlift forces; 26 percent of Tactical Fighter forces; 17 percent of the Aerial Refueling forces; 14 percent of the Rescue and Recovery forces; 25 percent of Electronic Combat Forces; and 32 percent of Tactical Air Support forces. In addition, five flying units are active members of our nation's Rapid Deployment Joint Task Force (RDJTF).

Non-flying units

Equally important to the success of the Air National Guard mission are our non-flying units. There are 243 independent units heavily concentrated in the areas of combat communications, weather, tactical control, electronic installation, civil engineering and air base defense.

The combat communications units are equipped and staffed to support the Tactical Air Forces. They provide specific communications service to forward deployed commanders and provide restoral service to the Defense Communications System. They are also equipped to provide terminal air traffic control facilities and services. All combat communications unit assets are designed in the USAF War and Mobilization Plan and most units are specifically tasked to support unified command war plans. Of particular interest is the fact that five combat communications units are also members of the RDJTF. The Air National Guard has also been tasked to provide both near and long term support to the Joint Communications Support Element (JCSE). An existing Air National Guard combat communications unit will provide the near term support starting in fiscal year 1982 with a permanent unit organized in fiscal year 1984. The prime mission of the JCSE is Joint Task Force support. During the RDJTF Exercise Bright Star 82, Air National Guard units provided approximately 75 percent of the Air Force combat communications. As in the past two years, an Air National Guard combat communications group and its subordinate units have deployed approximately 400 personnel to Europe in support of major exercises. Significant support has also been provided for exercises in the continental United States and in the Pacific Theater.

Most of our weather flights have a tasking to support Army Guard and Reserve units. We do have one weather flight tasked to support the Air Force Tactical Weather System.

Our tactical control units operate control and reporting centers and posts in addition to providing forward air control posts. All units have wartime taskings and quick response deployment schedules. Most of these units now possess the TPS–43E Radar. The remaining units will receive this new radar in late fiscal year 1982 when deliveries from fiscal year 1981 procurement begin. Tactical control units train at their home stations by controlling active and Air National Guard fighter aircraft and by system-wide simulated exercises. A limited number of units also participate in large scale exercises each year. Two new Air Support Radar Teams are also being added in fiscal year 1982. Each unit will be equipped with new TPB–1C tactical radars.

Our Electronic Installation Squadrons (EIS) are equipped and trained to engineer, install, relocate, remove, restore and accomplish on-site depot level maintenance on radars, antennas, cable plants, radios, and teletype and communications centers. They maintain proficiency by augmenting the Air Force EIS on Communications-Electronics-Meteorological (CEM) facility requirements worldwide. They provide the Air Force with a highly trained CEM engineering, installation and maintenance force capable of immediate response to contingency requirements. In fiscal year 1981, they provided approximately 52,000 training workdays to the Air Force by accomplishing engineering and installation work as training projects. Comparable levels of support are anticipated in fiscal year 1982 and fiscal year 1983. Two Air Guard EIS units deployed to Europe in August 1981 and performed successfully under simulated wartime conditions. The exercise was a complete success.

Like their flying unit counterparts, our non-flying units contribute heavily to total Air Force combat capability. In fiscal year 1983, the Air National Guard will possess 70 percent of the total Air Force combat communications forces; 50 percent of the tactical control forces; 55 percent of the electronics installation force and 12 percent of the weather reporting and forecasting forces.

Air National Guard Civil Engineering Red Horse and Prime Beef units have conducted deployments to active Air Force bases, Air National Guard bases, and Army National Guard posts for annual training. The construction, alteration, and repair projects undertaken by these forces not only helps them hone their skills for their wartime mission but also greatly assists the host base in completing urgently needed projects.

In 1982, the Air Guard will activate an Air Base Defense Squadron Headquarters and an Air Base Defense Flight. They are the first dedicated Air Base Defense units in the Air National Guard and the Air Force in the CONUS. A second Air Base Defense Flight will be activated in fiscal year 1983. These units will be equipped and trained to provide ground defense of critical Air Force bases and storage sites in Europe.

REALISTIC TRAINING

I have discussed some of the contributions the Air National Guard makes to the Air Force as a by-product of training. This realistic training is best embodied through our participation as full partners with other components in JCS and USAF training exercises. Our increased overseas deployments, where we have temporarily moved entire flying units along with ground support personnel, as well as civil engineering and communications units, have furnished us with valuable and realistic training.

To illustrate the Air National Guard's global readiness and the realistic training received, we have recently deployed F–4s to Iceland, A–10s to Germany, A–7s to Italy, and F–105s to Turkey. We also had two KC–135 tankers on constant tasking with the European Tanker Task Force. In the Southern Command region, the Air Guard maintains four A–7s on station at all times in defense of the Panama Canal, maintains two Aircraft Control and Warning Radars in defense of Puerto Rico, and we support airlift requirements throughout Central and South America with six C–130 aircraft.

In Alaska, our RF–4s have provided photo support for exercises and Air Guard tankers have supported the Alaskan Tanker Task Force.

In the Pacific, our F–4s from Hawaii have participated in PACAFs Red Flag and have fired missiles at Combat Sage. Two Aircraft Control and Warning Radar Squadrons provide 24 hour per day air defense surveillance of Hawaii. In addition, we had more than 300 combat communications and 100 Tactical Air Control personnel supporting JCS exercise Team Spirit in Korea.

Such a degree of operational readiness demonstrates that the Air National Guard, when equipped with modern, long range tactical aircraft and equipment, is a full Total Force partner in the front-line of our defense forces.

I am proud to report to this committee that combat readiness and capability to perform the wartime mission of the Air National Guard was again successfully demonstrated in 1981 by Air National Guard units during Air Force Operational Readiness Inspections (ORIs). These inspections were conducted under realistic wartime scenarios, and the majority of Air National Guard units received these inspections while at deployed locations. Since the inception of the realistic scenario in 1976, covering every aspect of the wartime mission, Air National Guard units have materially enhanced their capability and readiness.

MANPOWER

The Air National Guard achieved an end strength of 98,293 in fiscal year 1981. This is the highest strength level ever achieved by the Air National Guard, and it exceeded the original fiscal year 1981 budgeted strength by almost 2,500 personnel and the revised programed strength by 210 personnel.

With the help of the Congress, the Air National Guard was able to add 1,000 personnel to our fiscal year 1982 programed drill strength. The Air Guard's revised program is 96,788 drill strength and 3,312 full-time active duty Guardsmen for an end strength of 100,100 and an average strength of 99,500. In the fiscal year 1983 President's budget, we have programed 96,623 drill strength and 5,158 full-time active duty for a total end strength of 101,781 and an average strength of 101,100. This strength level supports approximately 98.6 percent of the Air Guard's projected wartime requirement.

While the Air Guard's fiscal year 1981 strength was above the programed levels, many critical skills remain well below an acceptable level. The Air National Guard is still experiencing difficulty in securing non-prior and prior service personnel in certain career fields such as munitions, security, avionic sensor systems, and ground communications-electronics maintenance. Also with the help of the Congress, we have expanded our enlistment incentive program in fiscal year 1982 and fiscal year 1983 to address this problem. We fully expect to achieve our strength goals in each fiscal year and anticipate improved manning in the critical skill areas.

The Air Guard's Recruiting program is currently structured toward precision recruiting (recruiting for critical skills or valid Unit Manning Document vacancies only). The overall responsibility for recruiting has been delegated to the States and the recruiters have been administratively reassigned from the State headquarters staff to each base. Along with precision recruiting, the Air Guard is placing special command emphasis on recruiting rated officers, medical officers, minorities, and women. Renewed emphasis is being placed on the Palace Front program. This program allows the Air National Guard to identify prior service Air Force personnel separating from the Active Air Force. The special emphasis on these programs will aid our recruiters in finding qualified individuals from all backgrounds to fill existing critical skill vacancies.

A formal Air National Guard Retention program utilizing Base Career Advisors was implemented in May 1981. Both first term and overall retention improved as a result of increased emphasis on this program. The retention rate increased from 61.4 percent in fiscal year 1980 to 63.1 percent in fiscal year 1981. An integral part of the retention program is an effort to retain certain personnel into critical skill shortage areas. Many of these skills require mandatory attendance at formal technical schools. Again, with the help of the Congress, funding was provided in fiscal year 1982 to enter aproximately 1,000 personnel into a retraining program, thus increasing our critical skill manning level. The fiscal year 1983 President's Budget also includes funding to retrain 1,500 individuals. With this level of effort, we fully expect to achieve our stated critical skill goals. With full implementation of the Retention program we expect to reduce the critical skills shortages within the Air National Guard and further increase the quality of the force.

Incentives have a direct effect on both recruiting and retention. Fiscal year 1981 saw two new programs: the Affiliation Bonus and the Student Loan Repayment Program. The affiliation bonus encourages skilled prior active service personnel to affiliate early with Selected Reserve units. An eligible person obligates himself to serve satisfactorily in the Selected Reserve for the full period of his remaining military service obligation and is awarded a bonus of $25 per month for each month of remaining military service obligation. The Loan Repayment Program authorizes the Secretary of Defense to repay up to 15 percent of the loan amount or $500, whichever is greater, of Higher Education Act loans for individuals who enlist or reenlist in the Selected Reserve. We believe that these incentive programs have and will continue to play a significant role in reducing our mission essential skill shortages.

The Air National Guard full-time manpower programs consist of military technicians and guardsmen on active duty. They comprise the daily work force that is essential to mission accomplishment. This combined technician-military workforce is the catalyst of success in meeting the responsibilities and missions assigned to the Air National Guard. Under the Total Force policy, readiness and response capability are completely dependent on the availability of these manpower resources.

In fiscal year 1981, we fully met our combined technician and military full-time manpower and strength. We fully expect to accomplish all programmed technician conversions through further voluntary conversions and technician attrition during fiscal 1982 as well as again meeting our full-time manpower strength.

Since the Congress has permitted us to determine and program the appropriate mix of technicians and full-time military, we plan to voluntarily convert an additional 600 technician positions to military status in fiscal year 1983. This will be accomplished in those functions where it is advantageous to have full-time military. We have also requested 1,246 additional full-time military to fill increased requirements associated with aircraft and equipment changes and other support requirements assigned to Air National Guard units.

SUMMARY

The Air National Guard has proven to be an integral part of the Total Force. The Air Guard exists to support U.S. foreign policy and national security objectives, and provides a State militia uniquely qualified for missions within the United States. Our responsibilities are truly global, national, and local, and each offers its own set of challenges for the future.

The Air National Guard is ready to meet these challenges. The capability of our citizen airmen to respond to the most demanding wartime missions is a matter of record. We appreciate the continuing strong support of the Congress. That support has permitted the Air National Guard to continue modernization and to make significant progress toward our goal of strength through readiness.

Senator JEPSEN. Thank you.

How long was it after the unit was notified, if you recall the time, before the unit at Sioux City was on their way to Vietnam? Do you remember how many hours it was? If I recall correctly I think the folks were called and they went home and hung up their work clothes and packed their bags and were flying combat missions, I believe close to 24 hours.

General CONAWAY. It was 24 hours, sir. Col. Danny Point was a commander at that time. I was called up in the same callup with the Kentucky National Guard. We did not leave within 24 hours, but they were on their way. They did a superb job in Vietnam.

Senator JEPSEN. Thank you for your report. It is good for the morale. General Bodycombe?

STATEMENT OF MAJ. GEN. RICHARD BODYCOMBE, CHIEF OF AIR FORCE RESERVE

General BODYCOMBE. I thank you very much for this opportunity. I appreciate the chance to come this afternoon and review with you and your committee the Air Force Reserve programs for 1983. I am pleased once again to report that the Air Force Reserve is in the best condition of its short 14-year history since restructuring under Public Law 90–168.

As in the Guard our units can be mobilized in 24 hours and deployed in 72.

The fiscal year 1981 attained end strength of the Air Force Reserve was 61,565, which exceeded the programed strength by over 800. We do not anticipate any difficulty in reaching our 1982 manning level. This will be the fourth year in a row that we have exceeded our program and we thank this committee for their attention and their support.

As of January 1982 all of our equipped flying units were combat ready with the exception of five who were converting to new aircraft. All of our six associate strategic airlift wings were also combat ready.

In response to military situations our Reservists enhanced the public image of the peacetime military while saving 45 lives and relieving the plight of numerous disaster victims; also our reserve rescue aircraft and personnel, both rotary and fixed wing, stand by for rescue and recovery during takeoff and landing activities of American Space Shuttle flights and we feel we are ready to fulfill our wartime mission.

We are requesting an average selected strength next year of 66,000 which will be a 5.5-percent increase over the 1982 level. The Reserve personnel appropriations provides, as you know, for the pay and allowances of these Reservists during their active and inactive duty training periods and while undergoing skill training.

The fiscal year 1983 request for this appropriation is $350 million, an increase of $23 million over fiscal year 1982. This results from a rather large increase in our strength levels as a result of conversions to more modern weapon systems and full impact of the fiscal year 1982 conversions.

New missions have increased our requirement with the addition of almost 800 medical personnel which will be related to the RDJTF operation and increased requirements for aerial port personnel and engineering capability.

AIR FORCE RESERVE O. & M.

The Air Force Reserve's fiscal year 1983 request for O. & M. is $766 million, an increase of $74 million over last year. This includes price growth of $18.7 million. Program increases are the result of a full year's operation aircraft conversions that occurred in 1982 plus four additional conversions in fiscal year 1983. These conversions include one additional A–10 tactical fighter squadron, one additional C–130 tactical airlift squadron, and relocation of two existing C–130 units in conjunction with the activation of a new unit at Peterson Air Force Base, Colo.

These conversions will allow the phaseout of the last of the piston-powered C–123 aircraft and one C–7 piston-powered squadron. This will continue the program of modernization in the Air Force Reserve.

I must congratulate the Regular Air Force for their support in allowing us to undergo this kind of modernization.

The Air Force Reserve force structure in 1983 will consist of 35 flying units, 19 nonequipped associate units (18 squadrons flying C–141, C–9, and C–5 aircraft assigned to the Military Airlift Command, and one KC–10A associate tanker squadron which will be assigned to the Strategic Air Command).

We also have 137 mission support units.

As I mentioned earlier, except for the five units undergoing conversion, all of our units are combat ready. In every instance where the unit is upgraded we have been able to attain combat ready status in less than the Air Force's programed time.

On August 29, 1981, the Air Force Reserve completed the largest training exercise we have ever conducted. Known as Condor Redoubt 81, it provided readiness enhancement through realistic training. It tested new procedures while meeting the congressional and DOD guidance to test and improve mobilization and deployment capability.

As you know, one of the main reasons we have been so successful in maintaining readiness in our force is our Air Reserve technician program. These individuals perform in both a civilian and military capacity in their units. During the week they provide day-to-day management and administrative continuity. They perform as military members of the units responsible for the training of other Reservists, the high level of this technician force, coupled with the stability of these employees are two factors critical to sustaining our operational readiness.

This stability is one of the major reasons we have been able to attract and retain individuals who possess the highly technical skills needed to insure such readiness. However, we could experience difficulty in expanding our roles and missions if the Air Force civilian ceilings are lowered since our technicians are included in these ceilings.

Consequently, the Air Force Reserve strongly endorses Air Force ceiling adjustments to accommodate the use of technicians.

In summary, Mr. Chairman, I have mentioned only a few aspects of our program, but I feel that they are representative of the overall excellence of our Air Force Reserve.

AFRES is extremely proud of the flying safety record it compiled last year—one class A mishap—one fatality—in over 133,000 flying hours. This was the best performance of all Air Force major air commands last year.

As in the case with our friends in the Air National Guard, the Air Force Reserve is truly a global force today. As a byproduct of training, our units are performing day-to-day missions for the regular force in all parts of the world. We have KC–135 crews standing alert on Strategic Air Command bases; our C–130 crews continue to provide airlift to critical parts of Central and South America from Howard Air Force Base in the Republic of Panama.

Additionally, we are well along in a program to build 11 modern tactical fighter squadrons by the middle of the decade.

I feel I should close on the same note that I began. The Air Force Reserve is fulfilling its peacetime mission and is fully ready to accomplish its wartime role. We feel this is a very solid "bottom line" in support of our requested programs for fiscal year 1983.

This concludes my statement, Mr. Chairman. I will be glad to respond to questions.

[The prepared statement of Maj. Gen. Richard Bodycombe follows:]

STATEMENT OF MAJ. GEN. RICHARD BODYCOMBE, CHIEF OF AIR FORCE RESERVE

Mr. Chairman and members of the committee: Thank you for the opportunity to appear before this committee to present the Air Force Reserve manpower program for fiscal year 1983.

It is with great pleasure that I report that the Air Force Reserve attained an end strength of 61,565 in fiscal year 1981, exceeding its programmed end strength of 60,754. This accomplishment was made possible through the dedicated efforts of all our Reserve members.

For fiscal year 1983 we are requesting an average Selected Reserve strength of 66,000 as summarized in Table I. For 1982, the Congress approved an average strength level of 62,800, however, adjustments in the Appropriation Bill reduced this level to 62,571. These strengths will enable the Air Force Reserve to support the Air Force mission and provide a ready and well-trained force to meet our wartime mission requirements. Briefly, our mission is to develop and maintain a Reserve of trained, operationally ready combat units and individuals who are immediately available for active duty in time of war, national emergency, or to counter other threats to our national security. To accomplish this mission, the Air Force Reserve conducts a comprehensive program of recruitment, training, and operations.

Again this year, I am proud to state that the Air Force Reserve remains ready to fulfill its mission. All Reserve units can be mobilized in 24 hours and deployed within 72 hours. The key to Reserve effectiveness has been, and continues to be, modern equipment and meaningful missions.

Modernization of the airlift equipment will continue with the introduction of our first C–130H unit at Dobbins AFB, GA, and our fourth A–10 unit at Richards-Gebaur AFB, MO. These actions and the shifting of C–130 assets will enable us to phase out some older, less capable airlift aircraft and allow us to establish ourselves at Peterson AFB, CO, which should be a very lucrative recruiting area. At the close of the year, only one piston-powered C–7 unit will remain in the Reserve inventory. This unit will be the first candidate for modernization in the future. I would like to point out to the Committee that after the C–130H conversion the Air Force Reserve unit at Dobbins AFB, GA, will be equipped below the minimum standard, leading to less than optimum cost effectiveness and operational efficiency.

In the fiscal year 1981 Defense Appropriation Act, only six C–130H aircraft were designated for procurement by Congress. This is two short of the eight aircraft at our other equipped C–130 units. Because of this two additional C–130H aircraft would be highly desirable in order to upgrade the Dobbins unit to the minimum standard.

We appreciate that Congress has provided additional tactical airlift aircraft for the Air Reserve Forces. I'm referring to the 38 additional C–130H aircraft procured by Congress since 1978; however, the Air Force Reserve has received only six of these aircraft.

A logical and systematic approach for replacing seven C–130A model units in the Air Force Reserve should be established in order to prevent a crisis replacement program in future years. By the end of the present fiscal year, the C–130A model aircraft will have an average of 24.9 years. If Congress again appropriates dollars to procure new C–130 aircraft in the fiscal year 1983 Defense Appropriations Act, I am requesting a fair share to replace a like number of C–130A models.

As of January 1982, all of our equipped flying units were combat ready with the exception of five units converting to newer aircraft. These units are:

One A-10 unit converting from A-37s (New Orleans); one C-130 unit converting from C-123s (Rickenbacker); one C-130 unit converting from A-37s (Youngstown); one F-4 unit converting from C-130s (Bergstrom; and one F-4 unit converting from F-105s (Carswell).

All six of our associate strategic airlift wings were combat ready. Additionally, each of the three KC-135 tanker squadrons remain in combat ready status and has crews standing daily Single Integrated Operational Plan alert. Along this line, the first SAC associate unit at Barksdale AFB, LA in the newly acquired KC-10 was activated November 1, 1981, but has not yet begun reporting readiness.

As you know, one of the main reasons we have been so successful in maintaining readiness in the Air Force Reserve is our Air Reserve Technician (ART) program. These dual status individuals perform in both a civilian and military capacity in their units. During the week, they provide day-to-day management and administrative continuity. During active and inactive duty training periods, they perform as military members of the unit, responsible for the training of the other Reservists. The high skill level of this technician force coupled with the stability of these employees are two factors critical to sustaining our operational readiness. This stability is one of the major reasons we have been able to attract and retain individuals who possess the highly technical skills needed to insure such readiness. However, we could experience difficulty in expanding our roles and missions if the Air Force civilian ceilings are lowered, as the technicians are included in these ceilings. Since the militarization of technicians didn't prove successful in the Air Force Reserve, we strongly endorse adjustments to accommodate the use of technicians.

In several areas, as Reservists train, they support requirements that would otherwise have to be fulfilled by active force resources. These are called by-product accomplishments because a productive mission is performed in conjunction with training requirements. For example, in fiscal year 1981, Reserve crews of equipped units airlifted 6,665 tons of cargo, flew 100,467 passengers and air dropped nearly 39,300 troops as a by-product of their normal training missions. In addition, Air Force Reserve associate C-141 and C-5 units flew more than 78,600 hours, and our associate aeromedical evacuation unit flew more than 3,410 missions, airlifting more than 86,600 patients. We also share rotational duty in Panama with the Air National Guard in support of United States Southern Command with six C-130 aircraft and seven crews six months each year. The performance of these missions exemplifies the Total Force team in action.

Reservists provided outstanding support in a new mission providing rescue support for launches and recovery of the Space Shuttle mission at Cape Canaveral, Fla. With regard to hurricane tracking, I should emphasize that, for the sixth consecutive year, our weather reconnaissance group flying out of Keesler AFB, Miss., accomplished at least 70 percent of all hurricane missions in the Gulf of Mexico, the Atlantic and the Caribbean; last year we tracked 10 hurricanes/storms.

In fiscal year 1981, Air Force Reserve rescue and recovery units flew 80 search and rescue missions, logged over 525 hours and were officially credited with saving 45 lives. A particularly noteworthy event was the MGM Grand Hotel fire in Las Vegas where our rescue units were credited with 17 saves and one assist. Our UC-123K units continued to provide the only aerial spray capability in the Air Force. Although the C-123 is being phased out, a few UC-123Ks are being kept to provide spray capability until the completion of a research and development project to modify C-130s for aerial spray. Finally, the experience and skills of Air Force Reserve Personnel are valuable assets in supporting Civil Air Patrol (CAP) programs such as cadet encampments, aerospace education workshops, and a wide variety of other special CAP activities.

Condor Redoubt 81, the fifth in a series of annual mobilization exercises, was an outstanding success. Some 59,000 Reservists participated, with about 3,000 deploying to other bases. Nearly 200 Reserve aircraft were involved in the total exercise carrying cargo and people, and conducting fighter and rescue operations in a variety of locations in the United States and overseas. Nine hundred medical personnel were part of the Reserve's most extensive training and testing of medical people and the aeromedical evacuation system. In addition, in conjunction with this exercise the initiation and implementation of the first comprehensive mobilization test of individual Reserve resources was accomplished. Simulated messages were sent to Individual Mobilization Augmentees, Individual

Ready Reserve members and retired regulars; the response rate was over 97 percent.

At present, Reservists provide almost 50 percent of the aircrews and approximately 40 percent of the maintenance for MAC's C–141 and C–5 strategic air-lift fleet. More than 30 percent of all tactical airlift is provided by the Air Force Reserve. Fifty percent of the crews for SAC's new KC–10 tanker/cargo aircraft will be Reservists. Also, with the acceptance of the A–10 fighter, Reservists are flying new first-line fighter aircraft. Currently Reservists contribute almost 60 percent of the Aircraft Battle Damage Repair personnel in six Air Force Logistics Command gained Combat Logistics Support Squadrons. The Air Force Reserve also provides 13 percent of all Air Force civil engineers, 10 percent of the Red Horse manpower and equipment, and 47 percent of the MAC aerial port personnel.

In the Air Force Reserve we have two basic resources—equipment and people. People are by far more important. Only through their dedication to the role of citizen-airman can we accomplish our primary mission of training for mobilization. Their talent, personal sacrifice and dedication to mission accomplishment were again proven during Condor Redoubt 81. The wide scope and complexity of this exercise and the professional manner in which it was accomplished attest to our readiness and "can do" spirit as a highly capable force within our country's defense structure. With the continued contribtuions of time, talent and energy, we will remain a mainstay to the American way of life.

In addition to our unit program, the Air Force has a successful program to provide trained Individual Mobilization Augmentees (IMAs) to active force units upon mobilization. IMA requirements are identified by grade and skill as part of the annual wartime manpower planning process of the Air Force. IMAs who are members of the Selected Reserve are assigned to specific positions established in active force organizations and are trained and supervised by the active force.

Reservists assigned to Individual Mobilization Augmentee positions are fully qualified in their Air Force specialities. As a result, these Reservists in fields as diverse as medical, legal, research engineering, maintenance and intelligence are able to assist with the day-to-day mission of their organization while they are on inactive duty and active duty training periods. For example, some of the physicians performing physicals or prescribing medication on a typical Air Force base are IMAs performing their monthly or annual training. As another example, IMAs in the intelligence field are producing standardized critical area intelligence summaries for postulated missions into selected countries. These summaries cover data on geography, population, weather, military capability, and lines of communication. In addition, intelligence IMAs support the Airborne Warning and Control System by analyzing Soviet electronic countermeasure systems against the E–3A Sentry aircraft.

We fully expect to attain our fiscal year 1982 programed strength of 10,102 IMAs in Pay Groups A, B, and D. For fiscal year 1983, we are requesting an average strength of 10,832. The total Air Force requirement for approximately 18,615 wartime IMA positions is indicative of the importance attached to this program. For the past few years, we have been working toward increased manning of these positions consistent with our ability to recruit. This year we are placing added emphasis on recruiting IMAs including the use of bonuses in selected enlisted skills.

Concerning overall manning, I mentioned earlier the very favorable manning posture the Air Force Reserve continues to maintain. We started fiscal year 1981 with a strength of 58,921 and ended the year with an on-board strength of 61,565. This was a net gain for the year of 2,644 people or 4.5 percent. I believe this attests to our ability to attract and retain motivated and dedicated young people. The combination of recruiting efforts and our retention program made it possible for us to exceed our programed end strength. At the same time we increased the quality of our Force as evidenced by the fact that 95 percent of all non-prior service enlistments were high school graduates. This was a 6 percent increase over fiscal year 1980. Our unit commanders at all levels have taken an active recruiting role. With their enthusiasm and hard work, combined with the excellent performance of our recruiting force, and a continued command emphasis on retention, we will continue to meet our programed end strength.

As in the past the recruiting of qualified personnel in critical skill areas continues to be difficult. It is in these areas that we have expanded our present incentive program into one that better recognizes the economic realities of recruiting and retaining highly skilled personnel. We are currently manned at the 91 percent critical skill level in the unit program. The fiscal year 1982 funds appropriated by Congress for this purpose will allow the USAF to improve operational efficiency. The fiscal year 1983 appropriation of 2.9 million for enlistment/reenlistment bonuses will have a meaningful effect on recruiting and retention in these skills. The affiliation bonus is a tool that has long been needed by the USAFR. With these resources, we will be able to enlist and retain prior service personnel who have already received extensive training and experience in the critical skills we require.

In summary, while the wartime role of the Air Force Reserve continues to expand within the Total Force, we hope to continue to modernize our equipment, improve our management structure and recruit the people needed to assure a fully responsive, combat ready force.

This concludes my statement, Mr. Chairman. I will be glad to answer any questions the Committee may have.

TABLE I.—DEPARTMENT OF THE AIR FORCE, AIR FORCE RESERVE PERSONNEL

	Fiscal year 1981		Fiscal year 1982		Fiscal year 1983		Fiscal year 1984	
	End	Average	End	Average	End	Average	End	Average
Flying units	33,575	32,807	34,198	33,615	34,530	34,341	34,765	34,472
Mission support units	16,991	15,944	17,322	16,910	18,762	18,506	20,541	20,175
Individuals*	[1] 8,774	[2] 8,565	[3] 10,102	[3] 10,102	[3] 10,823	[3] 10,832	[3] 10,832	[3] 10,832
Statutory tours	148	143	171	171	178	178	178	178
Recruiters	271	266	301	301	301	301	301	301
Art test	64	113	0	0	0	0	0	0
Nonprior service enlisted program	1,261	1,019	1,270	1,100	1,625	1,470	1,625	1,470
Nonprior service enlisted personnel awaiting training with pay	477	343	372	372	372	372	372	372
Total, Selected Reserve	61,565	59,198	63,736	62,571	66,600	66,000	68,614	67,800

*Pay group "D" individuals (((1) 690, (2) 795) are not included in fiscal year 1981, but ((3) 1,000) are included effective fiscal year 1982 and thereafter since they become a part of the Seleted Reserve effective fiscal year 1982.

TABLE II.—DEPARTMENT OF THE AIR FORCE, AIR FORCE RESERVE FORCE STRUCTURE, FLYING UNITS

	End of fiscal year—		
	1981	1982	1983
Equipped units:			
C–130 tactical airlift	12	13	14
C–123 tactical airlift	3	1	0
C–7 tactical airlift	2	2	1
Aerospace rescue and recovery	4	4	4
WC–130 air weather service	1	1	1
CH–3E special operations force	1	1	1
AC–130 special operations force	1	1	1
KC–135 strategic refueling tanker	3	3	3
A–37 tactical fighter	1	0	0
F–4 tactical fighter	3	5	5
F–105 tactical fighter	2	1	1
A–10 tactical fighter	2	3	4
Total, equipped units	35	35	35
Associate units:			
C–141 strategic airlift	13	13	13
C–5 strategic airlift	4	4	4
C–9 aeromedical evacuation	1	1	1
KC–10A tanker cargo	0	1	1
Total, associate units	18	19	19
Total units	53	54	54

TABLE III.—DEPARTMENT OF THE AIR FORCE, AIR FORCE RESERVE FORCE STRUCTURE, MSSSION SUPPORT UNITS

	End of fiscal years—		
	1981	1982	1983
Combat logistics support squadrons	6	6	6
Aeromedical evacuation squadrons/flights	21	21	21
Medical service units	13	15	15
Aerial port squadrons	50	51	52
Civil engineering squadrons/flights	35	37	38
Civil engineering squadron (heavy repair)	1	1	1
Communications security squadrons	0	1	1
Numbered air forces (Reserve)	3	3	3
Total	129	135	137

Senator Jepsen. Thank you, gentlemen.

I will address some initial questions.

Recently Senator Tower and others have stated that if defense budget reductions are imposed, force structure will take the brunt of the cuts.

FORCE STRUCTURE

Do you agree that force structure and not modernization or readiness should be cut?

All of these questions are not easy to answer, but they are posed in an exploratory vein and we have to assume that we are going to have cuts. I guess the question is if we do, should it be in force structure or should it be in modernization or readiness?

Mr. McCoy. Sir, the question is a difficult one. As you know, and you have heard from many witnesses from the other services, the Department of Defense has built what we believe is a balanced program of force structure increases, manpower increases, some which go to readiness, sustainability and so forth.

In putting together the Air Force program our guidelines in priority order, were to improve the quality and the quantity of our personnel; second, to restructure the strategic forces in such a way that we achieve and maintain equality with the forces of the Soviet Union; third, to fund readiness and sustainability initiatives that will enable the forces that we have to fight long enough to win in areas of vital interest to the United States, fourth, to modernize the force as best we can, the force structure we have, and lastly was force structure.

If one looks at the threat which is growing not only in the amount of resource poured into it, but in terms of the number of aircraft, tanks, ships, and so forth that are being turned out by the Soviet Union and the Warsaw Pact, despite the fact that we do need increased force structure, and need it dramatically, our forces are last priority in funding and consequently would probably be subject to cutbacks first in the event major cuts were made.

Not that we would hope to, or want to decrease our force structure. We would try to find other savings so that we can prevent that. That is the way we put together our program and we still feel these priorities are best in these circumstances. That I believe would be the way we would respond.

Senator Jepsen. If cuts have to be taken, are you beginning to take a look now to see where you can make them?

Mr. McCoy. We have tried to look at where we would take them. Also we are looking at the 1984 program as we begin to put it together internally which we are doing now. We find that due to just the cost of everything these days, the cost of maintaining a quality force and so forth, that we are already having to take a hard look, at least harder than we had hoped to in 1984 and the out years.

With respect to 1983 it is difficult to say. Depending on the size of the cut, one would approach it differently. If it was a massive cut, you would not only have to go to force structure, but also to certain procurement programs. If it were a smaller cut, there may be a way to take some from areas other than force structure.

It is hard to answer in the hypothetical because of so many contending forces at work.

Senator Jepsen. Gentlemen, I would like to run through your joint statement and discuss some of the points that you have raised.

On page 2 you state that "Overall personnel costs, as a percentage of the Air Force s total budget have been steadily declining."

The question is: Is this due to declining personnel costs or to the larger increases in the nonpersonnel costs in the Air Force budget?

Mr. McCoy. Sir, I will make a brief statement and ask General Iosue to comment also.

I believe it is some of both. As you know, the pay caps in the late seventies had a downward effect on personnel costs. More recently, manpower personnel cost as a percentage of the Air Force budget has continued to decline to about 37 percent this year. This is probably due to the fact that we have several large increases in real terms in nonpersonnel parts of the defense budget in order to replace equipment and take care of these military construction backlogs.

Senator Jepsen. Will you please provide for the record the total Air Force manpower requirement for fiscal year 1983?

Mr. McCoy. Yes, sir; we will provide that for the record.

[The information follows:]

AF MANPOWER REQUIREMENT FOR FISCAL YEAR 1983

The total Air Force manpower request for fiscal year 1983 is listed in the table below by category of manpower:

Active military	600,000
Selected Reserve	168,381
ANGUS[1]	(101,781)
Drill pay	(96,623)
FTAD[2]	(5,158)
USAFR[1]	(66,600)
Drill pay	(66,121)
FTAD[2]	(479)
Civilian	242,839

[1] ANGUS/USAFR military technicians are also included in civilian totals (29,230).

[2] Full-time active duty.

General Iosue. I will add to what the Secretary said.

There is an impression that manpower costs eat up a major portion of the budget. That was true at one time. Back in 1974 is was 55 percent. It is down to 37 percent. It is due mainly to the overall increase in the budget where the manpower portion now is the smaller portion of the overall.

Senator **Jepsen**. Manpower costs are 37 percent?

General **Iosue**. Of the entire obligational authority, 37 percent within the U.S. Air Force. Of our entire budget we spend 37 percent on manpower and personnel.

Senator **Jepsen**. Can you give me a parameter? Is that including retirement?

General **Iosue**. Everything, moving, clothing, feeding, recruiting, any retention bonuses, pay, what have you.

Senator **Jepsen**. All allowances?

General **Iosue**. All allowances.

Senator **Jepsen**. That is a very dramatic change, is it not?

General **Iosue**. Yes. It is due to the increase in the overall budget. In addition to that there have been some management initiatives and cost savings programs. Our recruiters have a larger ratio of recruits to recruiters and so we need fewer recruiters. For example, in 1983 we are going up some 9 percent in our recruiting goal, yet we are only going up in program growth 1 percent in our budget.

We have made some savings through contracting out, in the last 5 years some $250 million in savings. We have cut down on the number of moves. Our people remain on bases longer, they remain overseas longer than in the past. As a result we have been able to cut down on the PCS account.

Senator **Jepsen**. On page 3 you say:

> The mix also reflects an increased reliance on the Reserve components as a direct result of the successful implementation of the Air Force policy.

In 1983 the percentage of the Air Force Reserve to the total force has only increased by 2 percent and 4 percent and 6 percent.

Do you feel that this percentage of the 2 percent reflects an Air Force commitment to the total force concept envisioned by the Gates Commission?

Mr. **McCoy**. Sir, I will take that first and then ask others for comment.

We believe it is a move in the right direction. In 1973, as you remember, we were in a draw-down phase from the Vietnam era, mainly in the Active Forces, but also I believe there were some changes in the Guard and Reserve.

With the buildup that is occurring in the Active Force, with the increasing number of new aircraft that are replacing older aircraft, the amount of manpower for both the Guard and Reserve is going up as a percentage of the total force and the Active Force is coming down from about 56 to 54 percent.

We believe that this is a move in the right direction. We hope to continue to do more. As you see from the charts, the Guard and Reserve are increasing also. One of the things we try to keep in mind is that while a good deal of the Active Force deployed overseas needs a certain amount in the Conus, both for rapid action as well as the rotation base for the units overseas.

So the degree to which we can put units in the Guard and Reserve has been somewhat constrained in that regard.

Senator **Jepsen**. General Bodycombe or General Conaway, in your opinion is this the proper mix?

General **Conaway**. In my opinion, sir, from the Air National Guard's standpoint I think it is a very proper mix. I think great strides have been made. For example, when you were talking of 1972–73 we had approximately 90,000 personnel in the Air National Guard. Today we are approaching 100,000.

INCREASING COMBAT CAPABILITY

We also have been increasing combat capability, in the Air Force's programing, for most of our flying units. For example, the Des Moines unit upgraded to A–7's. They have since upgraded from 18 to 24 A–7's. That is more combat readiness at one location. This is the type of increase we have.

We have the F–16's coming into the Air National Guard next year. We are hoping to work with the Air Force to program more F–16's throughout the Air National Guard. With the reengining of our KC–135 tankers, I think the Air Force has done a superb job in working with the Air National Guard and Air Force Reserve as a total team.

I think we have a very good mix today. I think the Air Force obviously needs to be at least the size it is based on the great commitments that we all have. The Air Force has Guard and Reserve committed daily around the world. Why? Because they need us along with their force.

Senator **Jepsen**. General Bodycombe?

General **Bodycombe**. Mr. Chairman, the 2 percent that you quoted really is in effect for 20 percent of our force. We have had a significant growth in the last 7 years from 48,000 to 66,000. That is 2 percent of the total Air Force number.

In our case it is a 20-percent increase. This has been significant, we feel just about all we could handle. The pacing factor in the flying units, of course, is the number of aircraft and our number of flying squadrons has remained fairly constant. We have seen this growth occur in combat sustaining units which we feel is a proper role to play, also in the individual program. This is something that is unique to us.

The Guard has only unit programs to serve both the State and Federal role. The Air Force Reserve can serve the Regular Air Force in many ways to provide trained individuals.

I view the decade of the eighties as being relatively stable, but modernizing the flying units with some growth in the combat sustaining and individual programs, my answer to you, sir, would be, yes, I believe at this point the Air Force has arrived at the proper mix for the total Air Force.

Senator **Jepsen**. On page 4 you state that:

> Our civilian end strength in Fiscal '83, after increases in fiscal year 1981 and fiscal year 1982, returns to the decreasing trend we had experienced since 1967.

It appears from your statement that the Air Force does not concur with the civilian end strength allowed to you by the Secretary of Defense.

Mr. **McCoy**. Sir, we are involved in discussions with the Office of the Secretary of Defense during the program cycle. The desire of the

Office of Management and Budget to put some ceilings on overall civilian end strength resulted in a situation in which the Air Force was unable to make a good enough case for increasing its end strength because of the fact that in the past we had shown a good deal of ability and agility at working problems, contracting out, and increasing the productivity of our civilian work force.

We believe it was a sort of free market and free flow situation and if the resources, military manpower, civilian manpower, and contracting out were allowed to compete on a one-for-one basis without any constraints, that we perhaps would prefer not to move so quickly in the contracting-out area and to have a little bit more in the way of civilians.

Senator JEPSEN. At the bottom of that same page you state, "The military manpower program included in the President's budget for fiscal year 1983 reflects 19,200 increase."

Is it the Air Force's position that the entire 19,000 increase is necessary to meet the requirements imposed on you?

Mr. McCOY. Sir, it is our position that that is a minimum if we are to field the new systems which are coming in. We are taking in new aircraft and getting rid of old ones. We have new systems coming on line such as the GLCM. In fact, that is a number which really does not in all respects meet the numbers that we need if we are to be truly ready and have a sustainable force of the size that we project. We actually are undermanned in a number of areas including our depot maintenance areas.

I will also let General Iosue comment on that.

Senator JEPSEN. If I may interject here before you do, part of the increase is for dormitory managers and rapid runway repair and combat food service personnel, just picking some of this list.

RAPID RUNWAY REPAIR

Couldn't rapid runway repair be performed by civilians?

Mr. McCOY. There is a possibility that some could be performed by civilians. There are increases in the Reserve Forces for similar readiness kinds of activities. However, we have deficiencies for those kinds of things where we need military in wartime.

In order to be sure we have the capability to bring people to bear and deploy them it requires a military member as opposed to a civilian or contract employee.

General IOSUE. There are many factors in determining why it should be military or civilian.

One of the factors is if it is military essential, that is, that that position is required in a combat area or combat support area.

Second, we use a rotational index. If we have units overseas and we have units in the CONUS, there is a rotational base we must sustain. If you civilianize too many of your military positions you will not be able to support in the proper ratio the requirement overseas. And there is cost effectiveness in having military over civilian.

Rapid runway repair should be military. It is a combat requirement. It will be deployed to a combat area. Dormitory managers, you have the relationship of a senior NCO who lives in that dormitory, relates to those people, controlling, monitoring, that role model kind of impression that is necessary, and that is why we have determined they should be military versus civilians.

Yes, a civilian can do that job. We feel a military member can do it more effectively.

Senator JEPSEN. I gather from your remarks that you feel rapid runway repair and some of these items are based on criteria that they are an essential part of combat in those areas, so you have opted to keep military personnel.

Now it could be that Reserve personnel might conduct that?

General BODYCOMBE. We are showing a growth next year of 329 engineering spaces, mostly rapid runway repair, 304 in the medical fields, and 360 in the aerial port. The Air Force is doing what you suggest.

General CONAWAY. In the Air National Guard, because of the criticality of the skills you mentioned that are critical to the Air Force also, the Air National Guard has been tasked with some of these increases. The two civil engineer flights in the two units in Iowa, both have been increased by 15 to 20 personnel. Those are the requirements for rapid runway repair skills.

COMBAT FOOD SERVICES

In addition, food services at our flying units to supplement the Air Force's need for combat food services, we don't have enough so we supplement them.

Senator JEPSEN. On page 6 you state, "The Air Force supports continuation of a moderate contract program." You underscore the potential danger of degrading our wartime capability and flexibility.

If additional large-scale measures are imposed what is the Air Force civilian and strength for fiscal year 1983?

Mr. MCCOY. Sir, the program that we have announced for study in 1982 is about 4,300 spaces, and we say 5,000 for contracting out that we will announce soon in 1983. Our efforts would require us to convert 6,700 positions in 1982 and about 4,200 positions, that is military and civilian, in 1983.

As you know, to perform these studies of functions and take them from under the A-76 procedures takes a good bit of time and takes a number of people doing staff work. We have a little bit of an overload in that area. We are busily trying to complete the studies to meet the objectives, to meet those goals.

AIR FORCE CIVILIAN MANPOWER

We believe that with the 22 percent of Air Force civilian manpower in the contracting out area that we have to be a little bit more careful in the areas that we go into in contracting out so that in the event of a contingency or war we do not find ourselves with people who are in-house but are not and cannot be ordered to move out, to go overseas.

So we are taking an increasingly hard look at all the kinds of activities that are considered for contracting out to make sure they are not military essential.

Senator JEPSEN. That sounds very sensible. I guess it is a moot question to ask if you believe the contracting out degrades your wartime flexibility.

Are you being forced to study functions that might impair national security?

General IOSUE. We would not identify or go through the process of studying an entity or function that would impair our wartime readiness. First we identify, we talk to the major commanders and part of that identification process does involve its military essentiality. If it is, we just put it aside.

CONTRACTING OUT

The Air Force has been a leader in contracting out commercial activities. We average 3,000 per year. You are right, there is a point where we begin to worry about that, worry about a lack of flexibility and worry about impairment of wartime readiness.

We are contracting out in 1982, 6,700 spaces and 4,200 spaces in 1983. That surpasses our average over the last 5 years. What I think will happen in reality is that we will see a slippage of those spaces because we are unable to do all of those or perhaps we will determine at that time that they do affect our wartime readiness. If that occurs, we will have to convert them from military spaces and ask for an increase in our civilian strength.

Senator JEPSEN. Turning to page 11 of your joint statement, you state:

> However, we must sustain the recent retention improvements to eliminate shortages in critical skills and rebuild the experience base we lost during force reduction and low retention of the late seventies.

What management initiative has the Air Force undertaken to correct this problem?

Mr. McCOY. We have taken a number of initiatives. Aside from our most important initiative which is to maintain pay comparability we have put into effect sizable bonuses for those in critical skills. We have applied that bonus very judiciously to those skills that have been in demand.

PRIOR SERVICE RECRUITING GOAL

We are increasing our prior service recruiting goal. This year it was about 5,000. During 1983 we hope to recruit some 10,000. They will be applied against our shortages, those individuals coming on board.

We have put tighter controls into effect on reenlistments, we cannot reenlist in an overage skill. You must reenlist in a shortage skill. We are retraining people from overage into shortage skills. We are assigning people with training in a critical skill (but who are now serving in another skill) back into that two skill. We have implemented a tier promotion system. That is, we provide a higher promotion opportunity to who are in critical skills.

This will do two things. First, it will promote them into a supervisory capacity, second, it will entice those who are not in those skills to retrain into skills to get a higher promotion opportunity.

Senator JEPSEN. On page 12 you point out:

> **There are 11,000 NCO's already in 65 such skills including aircraft systems maintenance, munitions weapons, maintenance avionics, missile electronics maintenance, communications—electronics and intelligence. Similar skill shortages exist in the Air National Guard and Air Force Reserve, although generally in lower grades.**

Now do you have the authorized spaces for those 11,000 NCO's?

Mr. McCoy. Yes, sir; we do.

Senator Jepsen. How many NCO's in overmanned skills?

Mr. McCoy. In our career force we have about 240,000 individuals with about 7,400 as overages.

Senator Jepsen. How many ratings do you have?

Mr. McCoy. How many ratings?

Senator Jepsen. Yes.

Mr. McCoy. We have some 200 technician level skills. I would think most of the overages are in the administrative skills—the general support areas. The shortages of, 11,000 are concentrated in 65 skills; 9,000 of these shortages are associated with combat/mission related skills, maintenance, munitions, flight line kinds of skills.

CHOW HOUSES

Senator Jepsen. As an old soldier I am very concerned about your statement on page 15:

> NCO's supervisors in grades E–5 and E–6 find it particularly demeaning to be required to use a Government mess while the married junior enlisted counterparts may eat where they choose. Official duties often prevent attendance at appointed meal hours and, as a result, the compensation value of subsistence-in-kind is substantially diminished by the number of meals that are missed.

Why is it demeaning to eat in a chow house? We have spent plenty to build them, in fact $78 million in the last 5 years. Don't you make special arrangements when duties preclude an airman or NCO from eating meals in a prescribed time? Or should we have spent this money somewhere else?

Mr. McCoy. Sir, I am an old Army type, myself. I might interject there. I think the words probably could have been strung together a little more clearly or definitively than to say that the requirement to eat in dining halls might be considered demeaning.

Some of our people consider it to be the tax penalty for being either married or being single. We still find about the same usage rate and we still find that these facilities were used by people who were living in garrisons. But the requirement to suffer the economic hardship, in the event that they are not able to eat at certain hours or want to eat downtown with a friend, is one that seems to strike an inequity, somewhat akin to the per diem inequity.

It seems that they are being penalized or treated as second-class citizens in the military and not receiving the full benefits of their rank. We have had some experiments in this area and we have seen generally I believe, and General Iosue can correct me if I am wrong, that when the E–5's and E–6's were allowed the BAS, they still continued to use the facilities and messhalls at the same rate as before. It would not be a situation where we would have a drop-off, but it would, we think, do a lot for our retention and morale factor.

General Iosue. Sir, as we look at the reasons why we lose people, one of the reasons that came up quite often is the fact that they were forced to eat in the dining hall. We are talking about supervisors, E–5's, E–6's, and E–7's.

We wanted to provide them with the flexibility of eating where they desired. That flexibility is necessary because they are in a supervisory capacity, and to be regimented and be directed to go at a certain time to eat and if they miss those hours or have to leave their job to go to the dining hall during that prescribed time, they felt it was an encroachment and they felt they could do a better job by having the flexibility to eat at any time they so chose and where they wanted to eat.

INCREASED COST OF PCS

Senator JEPSEN. Mr. Secretary, on the bottom of page 16 you express concern over the increased cost of PCS.

What management initiatives and studies does the Air Force undertake to hold down the cost of PSC?

Mr. McCOY. Sir, we have looked at a variety of things and General Iosue can comment also. One of the major ones is to hold down the amount of all sorts of travel, administrative travel, training travel, using team travel, using in-house Air Force assets.

As far as PCS travel goes, we have looked at all sorts of ways to make sure we are dealing with competitive moves. We have people who on the 36-month tour, now average 45 months in a particular location. So we have people in effect staying on longer. We have less moves, we have more stability.

Still with inflation, the cost of moves is such that these kinds of costs continue to climb and it requires, when it occurs, that our members pay for a good deal of the move out of their pockets. At the same time that they sometimes are ordered to a new post, perhaps overseas and perhaps their spouse has to give up a job, perhaps they are going to a location where they would just as soon not go and they have lost income, then they turn around and we are asking them to pay anywhere from $1,000 to $2,000 out of pocket to help facilitate and finance the move. We believe this is a very large irritant.

Despite all we have done to hold down costs of the PCS moves it just costs so much to move and we find that our members feel they seem to be ignored with respect to pleas for equity in this particular situation.

TRAINING FOR PILOTS

Senator JEPSEN. Coming down the home stretch here, I have one other question in the training area and then we will explore the area of military pay and then conclude.

On page 21 you point out:

> In fiscal years 1979 and 1980 you lost 6,200 pilots and 2,800 navigators, but only trained 2,600 pilots and 1,200 navigators in this period. These low training rates reduced the pool from which we build our experience levels.

What are the reasons for not increasing your training rate for pilots?

Mr. McCOY. As I understand it, as with everything, we anticipate some fiscal constraints, so that while we could have increased it somewhat with a certain amount of money, that same money was being competed for by various strategic and space systems.

At the same time it takes a long and expensive training process to train people and it cannot be cranked up or cranked down very quickly. That is the reason it was sort of a smoother transition.

The activity and the support by the Congress last year on the aviation career incentive pay should help to stabilize that as well as a steady but not dramatic increase in flying training rate.

General Iosue may have something more to add.

General Iosue. We did lose 6,000 pilots. The major reason we lost 6,000 pilots was the airline hiring trends, deregulation and rapid expansion, which I doubt, if anybody, even the airlines themselves, realized would happen to them.

At the same time it takes 2 years to train a pilot. We were working and projecting our pilot training rates back in 1976 and we thought we did not need a 2,000 or 2,500 rate, not realizing we were going to lose that number of pilots.

At the same time we did have an overage. Our requirements were authoried 23,000. We had 28,000 assigned against it. We thought we would deplete that overage with a lower training rate. Lo and behold, mainly because of the airlines, our pilot retention rate put us in the position we are in today. We are short 1,000 pilots.

COST TO TRAIN A PILOT

Senator Jepsen. First of all, give me a ball park figure. What does it cost to train a pilot?

General Iosue. In what aircraft? I can make that whatever you want. The average cost is about a half million dollars. However, an F-16 or an F-15 will cost you $1.2 million per pilot.

Senator Jepsen. Are there any particular pilots that when they, the raids come or the mass exodus goes, that the private airlines prefer?

General Iosue. Generally, with a 2,000 airline hiring rate they can pick and choose. They will go after the transport types, the multiengine types. You will see our retention rate is better for fighter pilots because the airlines are not choosing those. During the peak hiring period they took anybody they could get their hands on.

Senator Jepsen. Do you have any kind of program now where the shoe is on the other foot, that you send letters to these folks and say, "Welcome back"?

General Iosue. We received the silver anvil award given for publicity advertisement. We sent out teams to all the large metropolitan areas where there are large airline companies housed, their home base. We talked to all the furloughed pilots. We put ads in the papers. We had a tremendous response. Two years ago we got something like 220 pilots, a year ago 240 pilots. We hope this year to bring back about 130 pilots. They serve us well.

They generally go back in the weapons system they were trained in before. They have a 4-year commitment. And the airlines are not going to hire them back.

Senator Jepsen. How long do the majority of tactical fighter pilots remain in the cockpit?

General Iosue. The average across the board—it varies from year to year—the average is about 13 years of cockpit service.

Senator Jepsen. I assume that it is a shorter time for your attack fighter pilots than for multiengine?

General Iosue. They vary between 11 and 14. The average Air Force pilot stays in the cockpit for 13 years.

PAY RAISE FOR MILITARY PERSONNEL

Senator JEPSEN. Now finally, the fiscal year 1983 budget request assumes an 8-percent raise for military personnel. However, some of my colleagues have proposed that military pay not be increased at all or at most no more than 5 percent, the raise due to be given the Federal civil servants.

How would the Air Force be affected if the pay were not increased?

Mr. McCOY. I think that the Air Force would face more of an immediate sort of psychological break with the feeling of support they had gotten in the past, and a sudden mass exodus of people. You would begin having people look around because they would say:

> This is a repeat of a 4- or 5-year period when because of budget stringencies the caps were going to be placed on pay.

So people would see it as a leading indicator and people do things in anticipation. Our look at pay rates over the last few years showed that, say, the wage rates for industrial workers went up at one rate, the CPI was lower than the rate for those same workers and in the professional and technical, clerical survey it was less than the CPI and the military pay rates were less than the so-called PATC index.

So in many ways the military, I believe, feels they lost a lot of income in the seventies, did not realize the full equity of comparability. They have had that restored. They feel that the institutions of Government should honor the principle of comparability if we stick with an All-Volunteer Force. Otherwise I believe they will make the assessment, many of them perhaps, many of our best people, that the time has come to begin thinking about other careers.

Senator JEPSEN. Let me take this opportunity to commend and thank all of you for the excellent job that you are doing in the manpower area and especially that of the Air Force, for the great support you gave us last year in developing the pay initiatives. Your support helped our staff very, very much. I appreciate that. We need that cooperation and input. You have been most superb in both attitude and results and assistance. We appreciate that.

I guess with a little bit of tongue in cheek I would say your Air Force Sergeant Association warned me that the pay bill targeting was bad news and there would be a mass exodus of your top ranking people. I think one of you had a reception where I was told that last year.

You haven't experienced that, have you? They told me the pay raise was so good they felt it would be the last they would get, so they would leave right away?

General IOSUE. I haven't heard that.

Senator JEPSEN. Don't you think it is time to develop a new pay adjustment mechanism? I go back to where we talked yesterday. Do we continue to raise E–1 pay the same as E–7 with 15 years of service?

PAY ADJUSTMENT MECHANISM

General IOSUE. First of all I do think it is time that we have an adjustment mechanism, a new one. We have not adhered to the one we have had in the past. It has been violated. I think pay is poorly understood. The average individual does not know what it is linked to, what type of raise it is or what is comparability.

I do think we need a benchmark or index, whatever it may be. We are working on that. There is a pay commission that is studying that, looking for a new linkage. They should come up with some recommendations very shortly as far as pay differential priorities, and I think we need to maintain comparability first.

I think it is important that our E-1's and E-3's, O-4's, officers and enlisted alike, do retain that comparability. Then I agree we do need to relieve compression. We have found the pay differential between a chief master sergeant and an E-1 was 9 to 1 about 10 years ago it is down to about 3 to 1 today.

We need to relieve that compression factor to entice our enlisted when they get to that point where they must make a decision about the staff sergeant point to see that there is a differential that entices them to remain on board for a career. I think we need to maintain comparability. First differential pay tables do need to be corrected.

Senator JEPSEN. Is the Air Force willing to pay for a full 8 percent raise by acceptance of a reduction in this area that has been requested for fiscal year 1983?

Mr. McCOY. We believe the 8 percent is very, very important. As I mentioned earlier, the fact is that the desire and the very strong commitment of the Air Force leadership to maintain comparability resulted in personnel being placed first in the five priorities I talked about and would, in the instance that you indicated, probably make the Air Force look very hard at going ahead and paying the 8 percent even if there were reductions in the rest of the budget or in some part of the Air Force budget. But depending on how deep that cut was the Air Force and the Air Force personnel clearly are not willing to see certain essential weapon systems and certain absolutely necessary programs for national security cut back just so they can have their 8 percent raise.

The leadership and men and women of the Air Force would not feel that they could live with that either. So it would be a difficult call and probably would again go to the question of how much that cut would be. But there is an extremely strong feeling that we must establish a position where we try to stick with the principle of comparability from henceforth, having now reached it and established it mainly through the efforts of the members of this committee and the House Armed Services Committee convincing the rest of the Congress that that was the right thing to do.

Senator JEPSEN. It would have a dramatic increase in the morale of our men and women in uniform. I haven't heard the word "momentum" today that is used often by our service people, keep this momentum going in the right direction.

CHANGE IN MORALE

I have spent some time in this country visiting some of our military forces, recently in Hawaii. The morale, I am convinced, of the men and women in uniform has changed dramatically. That is reflected in our retention.

I might add the recruiting of the young man and woman in the service of the country who is willing to wear the uniform on main street when they go home on furlough or leave makes a real difference and that is contagious. You can buy head power and hand power, but you can't buy heart power. That power is maintained in combination with a number of things.

It is the general feeling that the people do care and they are being supported and that they are being appreciated. I hope we continue to work together to keep that going. I think the pay is important, but it is just one part of this total picture of the momentum that we have going at all levels of service and we intend to keep it that way.

Mr. McCoy. On that point regarding the question you asked earlier which I did not fully answer for you, the question of the pay going up to the extent that people got out to take advantage of it, we have seen a drop from 29 percent to 18 percent of people who come to that voluntary retirement point at 20 years and get out.

In other words, it used to be one out of every three got out. Now it is one out of every four. Part of that is the pay. Part of it is the high regard that the Congress and the American public and Commander in Chief hold for the military.

There are hidden costs in dropping from 8 to 5 percent. If you don't pay for it one way, you end up paying for it another way.

Senator Jepsen. I have tried real hard to reflect and to research my own heart and mind on that one. Coming down the home stretch on the pay bill last year there was generally a rate reserved and guarded approach by members of the various services and the Pentagon because of the administration's rather firm feeling that it should be across the board and let us do it.

I would like in closing to say that this hearing is certainly reflective of the very finest of the true total force concept. The Air Force, Reserve and Guard are to be commended on your accomplishments.

I hope you have someone in the Air Guard and in the Air Force Reserve telling this story of the Air Force readiness and their working together with the Reserve and Guard on active duty. I think it is a story that probably is not as much appreciated as it should be.

For everybody's benefit and in the next 90 days we are going to be indulging probably in the most agonizing discussions and debates in our domestic peacetime history over how much defense is enough. Everything that has been presented in the way of education has been on a positive basis, but the American public are scratching their heads and listening to both sides of this thing. I am not very objective about it. On one side I can be very emotional. We have a job ahead of us.

I have a few questions for the record that will be submitted.

[Questions with answers supplied follow:]

Questions Submitted by Senator Roger W. Jepsen

IMPACT OF PAY CAP ON PERFORMANCE OF THE AIR NATIONAL GUARD

Senator Jepsen. National Guard and Reserve technicians are selected out for special treatment under section 775 of the DOD Appropriation Act. While all employees are allowed to collect civil service pay and military pay for work which they are entitled to collect and in fact have earned, this section combined technicians' military (basic and drill pay) and civil service pay before applying the pay cap at level V of the executive schedule ($43,536 pro-rated for 29 Dec 81–30 Sep 82).

The impact upon the Reserve Components varies. Very few, if any, members of the Army National Guard and Army Reserve are affected. The Air National Guard and Air Force Reserve require their pilots to fly in order to maintain their readiness. A total of 32 Air Force Reserve technicians will be affected by this provision and will lose about $163,000 of income earned. A total of 67 Air Guardsmen will be unable to collect about $120,000 in pay for duty which they are required to perform.

Considering the rather modest savings to be made by the government, what is your personal opinion as to the impact of the Pay Cap on the performance of the Air National Guard?

Answer. There is a marked potential for adverse impact on the ANG if the military and technician pay both continue to be applied against the pay cap.

1. Guardsmen impacted by the pay cap cannot be paid for an average of approximately 15 days of training a year. This means that these technicians cannot be paid for (a) four of the nine scheduled monthly weekend training periods, or (b) 15 of the 36 scheduled additional flying training periods, or (c) the 15 day annual tour period, or (d) some combination thereof.

2. All personnel affected are key management officials and their possible absence from these military training periods would obviously impact on the management of the organization and quality of training.

3. At a time when the ANG is at its zenith in terms of capability and reliance in the event of an emergency, an act which could adversely impact this capibility is of great concern.

4. The nature of our program, as well as the law governing the technician and military correlations, dictate that technicians perform military duty with the organization by which employed. And, while there is a correlation between the technicians' duties and military requirements, they must be treated separately. The technician position is established at a pay grade commensurate with duties performed during the 40 hour technician's workweek and the incumbent paid based on that premise. The military position occupied is graded based on the requirements of the military organization and the pay is based on the military grade held and work hours or days performed in a military capacity. These hours or days are above and beyond the 40 hours a week or 2,080 hours a year accounted for through the requirements of the full-time technician job. Therefore, these technicians are employed in two distinct categories: (1) as full-time Federal employees, and (2) as part-time military members. These personnel perform, as a rule, 84 periods of inactive duty lasting 4 hours each and 15 days active duty each year. This represents 456 hours of duty performed outside the normal hours of duty established for Federal employees.

5. We should not expect our technicians to donate 15 to 20 days of their own time to our military program without compensation. Neither can we afford to have these key management personnel unavailable for those critical periods which represent 20 to 25 percent of their annual military training.

6. Beyond the immediate impact, there is an even greater concern. We now have 68 ANG members who are affected by the cap. However, if history is used as the yardstick to judge future impact, the picture is bleak. With government executives affected by the pay cap having received but three pay raises in the past 11 years, hundreds of our technicians could be affected over the next few years.

The impact on morale and mission accomplishment if this decision is not reversed could be of major significance at a time when the National defense is predicated to a large extent on the capability of Reserve and National Guard Forces.

EFFECT ON AIR FORCE IF PAY WERE NOT INCREASED

Senator JEPSEN. Mr. McCoy, the fiscal year 1983 budget request assumes an 8-percent raise for military personnel. However, some of my colleagues have proposed that military pay not be increased at all, or, at the most, no more than 5 percent, the raise due to be given Federal civil servants.

How would the Air Force be affected if pay were not increased?

Mr. McCOY. Not increasing military pay, coupled with an improved economy, declining desire to enlist, and continued high demand for technically qualified people would severely impact on recruiting and retention within the Air Force.

The President's fiscal year 1983 budget proposes that the military receive a pay increase on October 1, 1982 that is adequate to sustain comparability with the private sector, as measured by the PATC worker's survey—the index on which Federal civilian and military pay raises are based under current law (projected to be 8 percent). The proposed 5 percent Federal civilian pay raise is an artificially imposed "pay cap."

Any attempt to freeze military pay or cap it below private sector wage growth (as measured by PATC) is reminiscent of the approach used in the 1970s when the economy was rebounding from the 1974 recession: a pay cap was imposed in 1975, followed in rapid succession by 2 years of pay raise reallocations (1976 and 1977) and two subsequent pay caps (1978 and 1979). At the time, the OSD/OMB planners believed they would be able to forestall losses of experienced specialists/technicians by resorting to expanded use of bonuses. It proved to be a costly fiscal misjudgment which created a near disaster for military preparedness and readiness. As a result, in 1979, all Services failed to meet their recruiting goals, with the Air Force missing its recruiting goal for the first time in the history of the AVF. More importantly, all Services experienced dramatic and alarming losses of experienced careerists including pilots, navigators and enlisted personnel in critical skills.

In an attempt to reverse the "hemorrhage of talent" caused by repeated pay caps, Congress took matters into its own hands and passed two substantial "out of system" pay raises (1980 and 1981) to restore military pay to the relative levels of comparability with the private sector that existed in 1972. Notwithstanding the favorable effects of an upward surge of retention and increased recruiting success, the Services are still unable to offset the experience which was lost. For example, the Air Force is short 1,100 pilots, 1,000 engineers, and about 11,000 noncommissioned officer specialists in critical sortie-generating skills. Although improved retention and increased accessions are reducing these shortages, we do not project "getting well" until the 1985/1986 time frame, even under the best of circumstances.

Imposition of a pay cap or freeze would reverse the beneficial effects of the 1980 and 1981 compensation improvements. It would initially impede and ultimately frustrate the Services' attempts to recover from the experience losses of the 1970's. In addition, the experienced/highly qualified servicemember will easily recognize a pay cap as a "shell game" and will again "vote with their feet" as the economy improves and increased demand occurs for those with highly transferable skills in the private sector.

8 PERCENT RAISE BY ACCEPTING REDUCTION IN OTHER AREAS

Senator JEPSEN. Mr. McCoy, would the Air Force be willing to pay for a full 8 percent raise by accepting some reduction in other areas that have been requested for fiscal year 1983?

Mr. MCCOY. No, the Air Force does not have the capability to absorb the amount which would be needed. Further, the Air Force budget does not contain any funds for the projected fiscal year 1983 military pay raise.

AIR FORCE EXPANDS THE SIZE OF ITS FORCE

Senator JEPSEN. I understand that the Air Force shall expand the size of its force, particularly, the career force during the 1980's. Why is this so?

Answer. The size of the Air Force is expanding during the 1980's to meet the added manpower requirements associated with general purpose forces modernization and new weapon systems and missions such as the ALCM, EF-111, GLCM, AWACS, TR-1, the space program, and wartime readiness improvement initiatives. As the total enlisted strength increases, the career force must also increase in order to maintain an acceptable career/first term mix to provide supervision and training for the additional first termers, maintain an acceptable promotion opportunity for our senior NCO's and take advantage of improved retention to rebuild the experience lost in the late 1970's.

AIR FORCE INITIATIVES ON SKILL IMBALANCES

Senator JEPSEN. What initiatives are the Air Force taking to address the problem of skill imbalances?

Answer. Our initiatives to increase experience levels and noncommissioned officer (NCO) manning in chronic critical shortage (CCS) skills include increasing promotion opportunity for personnel in CCS skills, extending NCO's past normal mandatory retirement points, increasing prior service recruiting efforts, increasing Selective Reenlistment Bonus funding, and returning individuals with previous experience in CCS skills to duty in those skills.

NUMBER OF RATINGS OVERMANNED AND UNDERMANNED

Senator JEPSEN. Does the Air Force allow personnel to reenlist when their ratings are overmanned? How many of your ratings are overmanned and undermanned? Could you provide a complete listing with percentages for the record?

Answer. Yes, career airmen (airmen on their second or subsequent enlistment) are allowed to reenlist notwithstanding the manning status of their skills. However, we use a multiple of vigorous personnel actions to continually work at keeping the career force in balance; i.e., an expanded voluntary and involuntary retraining program focused on the most critically short skills; a greatly increased prior service recruiting program with emphasis on the shortest skills; extension of NCOs in shortage skills past the normal mandatory retirement point; return of personnel with previously awarded shortage skills to duty in the shortage skill: higher promotion opportunity to E–5, E–6, and E–7 for personnel in critical shortage skills; and increased Selective Reenlistment Bonus funding with emphasis on the most critical shortages. First-term airmen reenlistments are controlled through the Career Airmen Reenlistment Reservation System. A constrained number of airmen are allowed to reenlist in skills we have identified as overmanned. They are needed to meet future career force requirements in their skills. We have listed the affected 44 constrained skills below and show the E–4 and E–5 manning percentages. Those first-term airmen who do not receive a reservation to reenlist must retrain into one of the 100 skills shown below or separate. Currently there are over 1,000 airmen waiting for a reenlistment reservation. Retraining in skills that are shown to be over 100 percent manned in E–4's through E–7's are experiencing shortages in grades E–6 through E–9 that can't be offset by overages in the lower grades.

SKILLS WITH CONSTRAINED REENLISTMENTS

AFSC	Title	Manning (in percent)	
		E–4	E–5
122X0	Aircrew life support spec	124	106
231X1	Graphics specialist	110	94
233X0	Continuous photoprocessing spec	104	140
271X1	Airfield mgmt spec	99	112
291X0	Telecommunications ops spec	129	101
316X1	Msl sys maint spec	175	119
341X1	Inst trainer spec	200	75
341X5	Analog nav/tac tng dvs spec	103	98
362X1	Tel central off switching equip spec, elect/electromech	134	116
362X4	Tel equip enstl and rpr spec	110	104
404X0	Precision imagery and audiovis media maint spec	103	109
426X1	Reciprocating propulsion mech	211	92
427X0	Machinist	107	104
472X0	Base veh equip mech	107	110
472X2	Gen purpose veh mechanic	127	143
542X0	Electrician	112	103
551X0	Pavements maint spec	148	110
552X0	Carpentry spec	112	99
552X1	Masonry spec	125	91
552X4	Protective coating spec	122	96
552X5	Plumbing spec	109	98
566X0	Entomology spec	122	102
566X1	Environmental support spec	106	92
591X0	Seaman	150	110
591X1	Marine engineer spec	100	100
602X1	Freight traffic spec	126	136
612X1	Subsistence ops spec	110	125
631X0	Fuel spec	125	106
645X1	Materiel facilities spec	91	102
702X0	Admin spec	100	99
703X0	Reprographic spec	102	114
732X0	Personnel spec	98	117
741X1	Recreation services spec	122	124
902X0	Medical service spec	102	109
902X2	Surgical svc spec	105	132
903X0	Radiologic spec	127	137
906X0	Medical admin spec	97	107
907X0	Environmental health spec	139	127
908X0	Veterinary spec	99	116
911X0	Aerosp physiology spec	94	118
914X0	Mental health clinic	126	141
914X1	Mental health unit spec	104	111
919X0	Orthotic spec	111	117
981X0	Dental assistant spec	104	90

RETRAINING—IN SKILLS

AFSC	Title	Manning (in percent), E4–E7
111X0	Defensive aerial gunner	107
112X0	Inflight refueling opr	111
113X0	Flight eng spec	92
115X0	Para-rescue/recovery spec	90
121X0	Survival training spec	81
201X0	Intelligence ops spec	98
201X1	Target intelligence spec	58
202X0	Radio comm anal/scty spec	94
205X0	Elect intel ops spec	53
206X0	Imagery Interpreter spec	78
208X1	Germanic crypto linguist spec	70
208X2	Romance crypto linguist spec	85
208X3	Slavic crypto linguist spec	87
208X4	Far East crypto linguist spec	108
208X5	Mid-East crypto linguist spec	87
222X0	Geodetic spec	102
241X0	Safety spec	93
251X0	Weather spec	101
272X0	Air traffic control opr	101
273X0	Combat control spec	81
274X0	Comd and control spec	95
275X0	Tac air comd and con spec	73
293X3	Ground radio operator	83
302X0	Weather equipment spec	87
304X0	Wideband comm equip spec	91
304X1	Navigation aids equip spec	95
304X4	Ground radio comm spec	84
304X6	Space comm sys equip opr/spec	77
305X4	Elect comp swg sys spec	95
306X0	Elect comm and crypto equip sys spec	93
306X1	Elect-mech comm and crypto equip sys	90
307X0	Telecomm sys con spec	91
316X0	Msl sys analyst spec	94
316X2	Msl elect equip spec	91
316X3	Instrumentation mechanic	89
321X0	Bomb-nav sys mech	67
321X2	Weapon control sys mech	97
322X2	Avionic sensor sys spec	80
324X0	Precision measuring equip spec	94
325X0	Auto flt con sys spec	91
325X1	Avionics instm sys spec	86
326X3	Int avionics EW equip and comp	66
326X4	Int avionics computerized test stn	89
326X5	Int avionics manual test stn and comp	87
326X6	Int avionics attack con sys spec	73
326X7	Int avionics instm and flt con sys	74
326X8	Int avionics comm, nav, and pen-aids sys spec	61
328X0	Avionic communications spec	72
328X1	Avionic navigation sys spec	90
328X2	Abn warning and con radar spec	61
328X3	EW sys spec	62
328X4	Avionic inertial and radar nav sys	79
328X5	Abn comd post comm equip spec	82
341X2	Defensive sys trainer spec	75
341X4	Digital flt simulator spec	88
341X6	Digital nav/tac tng dvs spec	66
341X7	Msl trainer spec	72
362X3	Msl con comm sys spec	97
391X0	Maint analysis spec	96
404X1	Aerosp photographic sys spec	64
423X0	Acft electrical sys spec	82
423X1	Acft environmental sys mech	74
423X2	Aircrew egress sys mechanic	87
423X3	Acft fuel sys mechanic	67
423X4	Acft pneudraulic sys mechanic	76
423X5	Aerosp ground equip mechanic	87
426X2	Jet engine mech	88
426X3	Turboprop propulsion mech	86
427X1	Corrosion control spec	75
427X2	Nondestructive inspection spec	91
427X4	Metals processing spec	90
427X5	Airframe repair spec	71
431X0	Helicopter mech	99
431X1	Tactical acft maint spec	86
431X2	Alft/bombardment acft maint spec	85
443X0	Msl maint spec	96
443X1	Missile pneudraulic rpr spec	80
445X1	Msl liquid propellant sys maint spec	71
461X0	Munitions systems spec	91

RETRAINING—IN SKILLS—Continued

AFSC	Title	Manning (in percent), E4–E7
462X0	Acft armament systems spec	86
463X0	Nuclear weapons spec	85
464X0	Explosive ord disposal spec	89
472X1	Special veh mech	95
472X3	Vehicle body mech	94
511X0	Computer operator	93
511X1	Programming spec	85
542X1	Electric power line spec	84
542X2	Electrical power pdn spec	87
545X0	Refrig and cryogenics spec	90
545X1	Liquid fuel sys maint spec	86
551X1	Construction equip opr	94
552X2	Metal fabricating spec	87
553X0	Engineering assistant spec	81
622X1	Diet therapy spec	94
691X0	Management analysis spec	110
701X0	Chapel management spec	94
753X0	Small arms spec	80
811X0	Security spec	100
811X2	Law enforcement spec	92
905X0	Pharmacy spec	90

SKILLED TECHNICIANS JOIN AF WITHOUT COMING IN AT BOTTOM AS E–1

Senator JEPSEN. Does the Air Force have a lateral entry program whereby skilled technicians can join the Air Force in a position commensurate with his/her skill without coming in at the bottom as an E–1? Do you favor such an approach?

Answer. A lateral entry program offering higher than E–1 is not considered in the best interest of the Air Force at this time. Air Force technical training would still be required as civilian acquired skills do not produce specific weapon system technicians. In addition, if E–4 or higher grade was awarded it would result in supervisors without military experience. Improved retention and increased prior service recruitment are better approaches for solving Air Force skill shortage problems. The prior service program has a special benefit of allowing us to recapture needed experience, not only at the job level, but at the supervisory level, as well.

FISCAL YEAR 1983 GOAL FOR CONVERSION OF POSITION TO CONTRACT

Senator JEPSEN. For fiscal year 1983 what is the goal for conversion of positions to contract?

Answer. The Air Force goal mandated by OSD is 3,000 civilian positions.

FACTORS LIMITING ABILITIES TO CONVERT POSITIONS

Senator JEPSEN. What factors are limiting your abilities to convert positions to contract?

Answer. The factors that limit our ability to convert positions to contract are our requirements to maintain in-service positions for combat, direct combat support, overseas rotation, depot maintenance core capability, and other in-service requirements.

DID DOD SUBTRACT ANY POSITIONS FOR ANTICIPATED CONVERSIONS TO CONTRACT

Senator JEPSEN. In arriving at your fiscal year 1983 civilian manpower requirements, did DOD subtract any positions for anticipated converisons to contract? If so, how many?

Answer. OSD reduced the Air Force fiscal year 1983 civilian end strength by 3,000 civilian positions based on anticipated conversions to contract.

NUMBER OF POSITIONS SUBTRACTED

Senator JEPSEN. If so, what was the basis for the number of positions subtracted out?

Answer. The basis for the number was a percentage factor of the Air Force inventory of in-house commercial activities. Each year the Services report to OSD the activities they currently operate which are commercial activities. OSD used this report to develop the 3,000-space reduction.

CONTRACT OUT AFFECT OF AF READINESS OR NATIONAL SECURITY

Senator JEPSEN. To date has contracting out adversely affected Air Force readiness or national security? If so, in what areas and what specific activities?

Answer. Most Air Force eligible candidates have already been contracted. These include real property maintenance, mess attendants, commissary shelf stocking, transient aircraft maintenance, and an already critical level of depot maintenance. In addition, we have recently determined that some activities have been contracted to the detriment of wartime readiness. Examples of these are grounds maintenance contracts, which have reduced our reservoir of trained military personnel with wartime deployment tasking such as rapid runway repair, and food service contracts, which have aggravated the short fall in trained military personnel needed to feed the troops in the combat theater.

Given the future programs required by the draft Defense Guidance (DG), the result could be degradation of wartime capability or morale/welfare activities. Such contracts will be perceived by military personnel as the first step in the loss of earned benefits. The adverse impact on retention, the associated loss of experience and increased training cost could more than offset economies that might accrue from contracting personnel-sensitive areas.

ACTIVITIES STUDIED FOR CONTRACTING OUT

Senator JEPSEN. (If so) why were these activities studied for contracting out?

Answer. At the time these activities were contracted out, our analysis did not indicate that contracting out would adversely impact readiness. However, subsequent changes in wartime requirements and a continuing refinement of our manpower wartime planning process revealed that manpower shortfalls in these areas have developed.

MAJOR PROBLEMS EXPERIENCED WITH CONTRACTORS

Senator JEPSEN. What major problems, if any, has the Air Force experienced with contractors?

Answer. The major problem with contractors is not performance. We have the remedies to insure contractor performance through our procurement process. The problems associated with a contractor operation is that it limits the flexibility of the Commander to react to emergencies and wartime contingencies by reducing the manpower resources under the Commander's direct control. When quick reaction is required to shift the work force from one priority workload to another totally unrelated workload, the contract work force is much less flexible than an in-house work force.

SAVINGS BY CONTRACTING OUT

Senator JEPSEN. How much money has the Air Force saved by contracting out in fiscal year 1980, 1981 and 1982?

Answer. The A–76 cost comparison process does not predict "savings," and is an anomaly to the normal cash flow analysis needed to predict budget impact. In fact, the section 502 information provided to Congress prior to award of a contract predicts a "cost advantage to the Government." Since implementation of A–76 total costing procedures with the fiscal year 1980 program, Air Force has completed 191 studies—137 going contract and 54 remaining in-house. The cumulative "cost advantage to the Government" of the 137 activities that went contract was reported at $186 million. We have performed a review of these comparisons and estimate that from 50–70 percent of that cost advantage is to the Air Force—many of the costs in the A–76 comparison are not Air Force costs, such as unfunded retirement costs, Federal tax advantage, etc. While we can estimate for cost advantage, as this is primarily a management tool used to determine whether to convert, we would have to perform a cash-flow analysis on each consolidated activity to determine a full savings.

As a matter of information, the manpower impact of the conversions is reflected in our budget.

ADDITIONAL CIVILIANS USED IN DEPOT MAINTENANCE AND PROCUREMENT ACTIVITIES

Senator JEPSEN. In fiscal years 1981 and 1982 the Air Force requested and received approval for additional civilians to be used primarily in depot maintenance and procurement activities.

How many of the additional civilians authorized have in fact been hired?

Answer. All of the additional civilian positions authorized in fiscal year 1981 and 1982 have been filled. In nearly all cases, the additional authorizations were filled by on-board employees. For example, "on-call" temporary employees are used extensively in the depot maintenance program to satisfy manpower shortfalls for funded workloads. During fiscal year 1981, 35,727 depot maintenance employees were assigned against an authorized end strength of 34,171. Consequently, the additional authorizations received did not create any hiring problems, but prevented the lay-off of on-board employees.

UTILIZATION OF ADDITIONAL CIVILIANS

Senator JEPSEN. Where are additional civilians being utilized?

Answer. The major build in civilian authorizations in fiscal year 1981 and fiscal year 1982 was in the depot maintenance program. As authorized in the Reagan budget amendment, depot maintenance grew 2,000 end strengths in fiscal year 1981 and 3,000 end strengths in fiscal year 1982 above suppressed manpower levels in the Carter Budget. Fiscal year 1982 end strengths were increased to 36,000, which is a net increase of less than 1,000 spaces above the fiscal year 1980 level. These increases in manpower were used primarily in the direct labor area of the Directorates of Maintenance at Air Force Logistics Command's five Air Logistics Centers, and the Aerospace Guidance and Metrology Center. These increases significantly improved depot maintenance manning, allowing a more reasonable use of overtime to accomplish funded peacetime workloads. However, depot maintenance is still 3,000 end strengths short of the crtical mass requirement of 39,000. This will necessitate continued use of high overtime rates and "on-call" temporary employees.

Other increases in civilian authorizations in fiscal year 1981 and fiscal year 1982 were comparatively smaller and have been offset by other reductions, such as the transfer of consumables to DLA, and a transfer of 286 end strengths to the Defense Investigative Service.

IMPACT OF ADDITIONAL CIVILIANIZATION

Senator JEPSEN. What has been the impact of the addiitonal civilianization?

Answer. The additional civilians for procurement and depot maintenance enabled the Air Force to accomplish a greater amount of funded workload. The additional depot maintenance civilians have also resulted in reducing the average costs to operate the depots since better utilization is made of fixed overhead and plant costs.

REDUCTION IN DEPOT MAINTENANCE BACKLOGS

Senator JEPSEN. Have depot maintenance backlogs been reduced? By how much?

Answer. The Air Force carried forward $11.9 million of component repair backlog from fiscal year 1981 to fiscal year 1982. This backlog will be eliminated by end-fiscal year 1982. We project no fiscal year 1983 backlog.

IMPACT OF ADDITIONAL CIVILIANS ON PROCUREMENT FUNCTION

Senator JEPSEN. What measureable impact have additional civilians had on the procurement function?

Answer. There has been a dramatic increase in procurement workload as a result of replenishment of spares/war readiness. The additional civilians in the procurement function have helped reduce the rate of backlog growth in contract award, placement, negotiation and definitization.

OVERALL IMPACT OF ADDITIONAL CIVILIANS

Senator JEPSEN. Has the overall impact of the additional civilians generated measureable increases in readiness?

Answer. Since the measurement of readiness is based upon numerous variables, the impact on overall readiness of additional civilians is difficult to measure in isolation. The addition of civilians in fiscal year 1981 and fiscal year 1982 will provide an impact on our readiness capability because we will now be able to reduce our shortfall in our depot maintenance through reductions in overtime and retention of additional permanent personnel. We are still short some 3,000 spaces compared to the level we consider to be the optimum number of in-house civilians within our depots. The addition of civilians in other functions will also contribute to readiness by allowing us to perform required existing workloads rather than delaying or eliminating programs and projects needed to support the Air Force mission.

CHRONIC CRITICAL SHORTAGE SKILLS

Senator JEPSEN. Until recently Air Force promoted enlisted personnel under its equal selection opportunity promotion program. Under this policy, we understand that promotions were made without regard for need in a specific occupation. We understand that the Air Force has at least temporarily modified this policy by designating certain skills "chronic critical shortage skills" and providing that those skills receive more promotions than the non-critical ones.

To what extent did the Air Force's equal selection opportunity promotion policy contribute to its current skill imbalance problems?

Answer. Skill imbalances (overages and shortages by skill) can be caused by numerous factors including force structure decisions, budgets, pay, strength ceilings, and the structure of specific skills. As mission requirements and force structures change, so do manpower authorizations. Accession levels vary from year to year and loss rates, retention rates, and retirement timing vary over time and between skills.

It is difficult to separate and quantify the retention impacts of the promotion system, the economy, pay and compensation, selective reenlistment bonuses, and other influences. In general terms, however, we have concluded that equal selection opportunity (ESO) improved overall retention, and that our current departure from ESO is improving retention in those skills where shortages can have the most serious impact on readiness.

The Air Force did promote to fill skills vacancies until 1972, at which time the policy of ESO was adopted. The pre-ESO system caused widespread promotion stagnation and large swings in promotion rates from year to year. ESO's relative stability and widely perceived equity has eliminated the unpredictability and negative retention impacts of the former system. Our current departure from ESO is one of several initiatives designed to improve manning in the chronic critical shortage skills.

AF RETURN TO EQUAL SELECTION OPPORTUNITY

Senator JEPSEN. Does the Air Force expect to return to equal selection opportunity at some future time? Why?

Answer. The promotion system is neither the sole cause of nor the sole cure for shortages. The change in the promotion system is one of several initiatives to improve skills manning in chronic critical shortage AFSCs and will last for a minimum of 3 years. As we progress, we will evaluate the need to continue to deviate from equal selection opportunity. Our objective is to preserve equal selection opportunity to the maximum degree consistent with our readiness requirements in order to provide the fairest and most equitable promotion consideration for all airmen.

RELEASE OF PORTIONS OF A/C SAFETY INVESTIGATION REPORTS

Senator JEPSEN. During the 96th Congress, the Air Force submitted proposed legislation regarding the protection of portions of aircraft safety investigation reports.

Answer. The House Armed Services Subcommittee conducted hearings in February 1980, and on September 25, 1980, the full committee unanimously approved the bill. However, the 96th Congress adjourned before the full House could act on the bill. We have thoroughly reviewed the proposed legislation for currency and are processing the identical proposal for reintroduction in the 97th Congress.

NEED FOR LEGISLATION

Senator JEPSEN. If the Air Force still supports that proposal, would you be willing to provide this committee a detailed explanation of the need for this legislation?

Answer. Yes. We still support and need the legislation. In order to investigate aircraft mishaps and determine the cause of the mishap, we must have the cooperation of all parties to the mishap. This includes the military flight crew and maintenance personnel, as well as the civilian manufacturer of the equipment. These people must be free to tell the investigator that they made a mistake, that the aircraft or system failed or was not designed correctly. If they cannot be completely candid, the safety investigator may never find the true cause of the mishap and our chances of preventing similar mishaps are significantly reduced. These people cannot afford, in today's litigious environment, to be completely candid with a safety investigator unless they are assured that the information they provide will not be used against them for disciplinary or pecuniary purposes. The Air Force, and the other services as well, gives that assurance of confidentiality when a mishap is under investigation. We steadfastly refuse to release information provided under those conditions, citing exemptions 4, 5, and 6, of the Freedom of Information Act and the concept of executive privilege. This method of protecting sensitive safety data has become a very costly and time consuming process. Each time potential litigants are denied privileged information contained in safety reports, protracted legal action occurs. Slowly, over the years, more and more data has been ordered released by the courts. Each case is decided on its own merits, by an individual court. Each time we face this question, the privilege issue is challenged and our entire program of investigating mishaps solely for the prevention of future mishaps is jeopardized. Passage of this legislation would reconcile this issue. The Services can then continue to promise confidentiality in exchange for candid testimony, secure in the knowledge that the courts will not abrogate that promise.

PROTECT SAFETY INVESTIGATION REPORTS FROM RELEASE

Senator JEPSEN. How do the services currently protect safety investigation reports from release?

Answer. As mentioned earlier, our protection of Safety Investigation Reports is now based on exemptions 4, 5, and 6 of the Freedom of Information Act and on the concept of executive privilege. The Air Force separates Safety Investigation Reports into two parts. Part I contains purely factual information, and Part II contains the investigation board's findings, conclusions and recommendations, witness statements, manufacturer inputs, and personal medical information. The Air Force also prepares an AFR 110-14 Report in legal channels which is designed to preserve factual mishap information.

Currently, requests for release of safety mishap reports under FOIA are processed like this: Upon receipt of a request, we release Part I of the safety report and the entire AFR 110-14 Report and make an initial denial of Part II based on FOIA exemptions. The Commander of the Air Force Inspection and Safety Center does this in his capacity as the Deputy Inspector General for Inspection and Safety. The requester may accept the denial or appeal to the Secretary of the Air Force.

If there is an appeal, it is forwarded, with staff recommendations, to the Air Force Judge Advocate General, Inspector General, and the Assistant Vice Chief of Staff for review. The appeal is then forwarded to the Secretary of the Air Force for decision. If the decision is to release, the issue is closed. If the decision is to deny the release, the requester may either accept the denial or file suit in U.S. District Court.

Normally, the claim of executive privilege does not occur until after the appellate procedure under FOIA has been exhausted and the case enters the Federal Courts. When that occurs, the Air Force, through the Department of Justice, files the appropriate affidavits asserting privilege for consideration along with the review of the FOIA exemptions. As you can see, the protection of our safety reports rests on the continued willingness of the judicial system to continue recognizing our claim of FOIA exemption and executive privilege.

The other services follow similar although not identical procedures to protect their safety reports. They, too, are forced to defend those reports in the Federal Courts. The proposed legislation will provide clear statutory authority to protect the privileged portions of safety reports.

EXPERIENCE WITH LITIGATION IN COURTS

Senator JEPSEN. What has been your experience with litigation in courts regarding release of these reports?

Answer. The possibility of judicial inroads concerns each of the services because, while we all have made great strides in reducing losses of both aircraft and air crews, the trend in the courts has been disturbing. In 1953, the Supreme Court of the United States, in the landmark case of *Reynolds* v. *United States*, supported the concept that aircraft safety reports are entitled to protection under a claim of executive privilege. However, since that ruling, several lower courts have ordered the release of items previously considered privileged. For example, we have been ordered to produce mechanics' reports, technical analyses prepared by DOD employees, and lists of witnesses who gave information to safety investigators. We have generally been successful in protecting safety reports but only because we vigorously defend the need for confidentiality in each case. However, each "chipping away" at the privileged status of safety reports undermines the confidence in the military aviation community that safety reports are protected. This results in the possibility of less than complete and candid disclosure to safety boards.

EXCEPTION TO FREEDOM OF INFORMATION ACT

Senator JEPSEN. Does this proposal provide an exception to the Freedom of Information Act?

Answer. No. However, the proposed legislation will provide a clear statutory prohibition to release of the records. Therefore, the legislation would place these records clearly within the coverage of the existing (b)(3) exemption in the FOIA.

The bill does balance the need to protect privileged portions of the safety report with the public's right to access. The material protected by our proposed bill is consistent with existing case law and the minimum needed to preserve essential confidential communication. Factual portions of the report will continue to be released to the public.

DEPARTMENT OF JUSTICE SUPPORT

Senator JEPSEN. Do the other services and the Department of Justice support this proposal?

Answer. Yes.

PROTECT AIRCRAFT MANUFACTURERS FROM BEING SUED

Senator JEPSEN. Is part of the reason for this legislation an effort to protect aircraft manufacturers from being sued?

Answer. No. The sole purpose of this legislation is to protect the safety investigation processes of the armed services. If we cannot guarantee confidentiality to the persons who are in a position to tell us why a mishap occurred, they will be reluctant to provide information which is potentially harmful to themselves, their associates or employers. Without this knowledge of casual factors our chances of preventing similar mishaps are greatly reduced.

INCREASED COSTS ASSOCIATED WITH THE PROPOSAL

Senator JEPSEN. Are there any increased costs associated with the proposal?

Answer. No. Because this legislation codifies existing regulations, it is expected that no additional cost to the government will be incurred as a result of enactment of this legislation. In fact, enactment of this legislation will save the money and manhours currently expended in costly litigation.

ADDITIONAL INFORMATION IN EVALUATING NEED FOR PROPOSED LEGISLATION

Senator JEPSEN. Please provide any additional information which would be helpful to the committee in evaluating the need for this proposed legislation.

Answer. We need the full cooperation of everyone who could possibly assist in determining what caused a mishap. This legislation is needed to protect the confidentiality we must guarantee in order to obtain that full cooperation, cooperation that is the vital tool for determining mishap cause, improving mishap prevention, and protecting our essential and costly national defense resources.

IMPACT OF LIMITATION OF CONSTRUCTIVE CREDIT

Senator JEPSEN. General Conaway, Public Law 96-513, Defense Officer Personnel Management Act (DOPMA) became effective September 15, 1981, the driving force behind DOPMA was the necessity to update and standardize officer management laws for the Services' active components. Key features of DOPMA include: New permanent grade tables; a single promotion system; an all regular force; and uniform tenure and constructive service credit rules for initial appointments.

With the single exception of constructive credit which applies to the active and reserve components alike, DOPMA is applicable only to the active components. On the effective date of DOPMA, the statutory authority of the National Guard and Reserves for the appointment of line officers with constructive credit ceased to exist except in the most unique circumstances.

What impact has or will the limitation of constructive credit have upon the Air National Guard?

General CONAWAY. The elimination of constructive credit means that Air National Guard (ANG) can no longer recognize and give credit for previous experience to newly commissioned officers. The granting of constructive credit has been a significant feature of the ANG line officer appointment program over the years. Approximately 40 percent (720) of all ANG line officer appointments over the last 5 years were granted constructive credit.

GRANTING OF CONSTRUCTIVE CREDIT

Senator JEPSEN. General Conaway, if the granting of Constructive Credit were to be again authorized what assurance can you give us that the quality of those appointed would remain at the current high standards?

Answer. Quality would remain the same since the Air National Guard would, in large measure, be appointing the same individuals. The difference would be the capability to recognize their experience and give them the credit.

RESERVE OFFICER PERSONNEL MANAGEMENT ACT

Senator JEPSEN. General Conaway, I understand that a Reserve Officer Personnel Management Act or ROPMA is under development at this time.

In your opinion, would it be prudent to wait until ROPMA is forwarded to the Congress to correct the constructive service deficiency or should it be done during this session of Congress?

Answer. I do not believe that we should wait until the entire ROPMA proposal is ready. In my opinion it is important to recognize the differences between the officer management philosophy for the active forces and the Guard and continue with the previous practice until ROPMA is fully developed and enacted into law. I should point out, however, that the Department of the Air Force believes that constructive service credit provisions should be considered as part of ROPMA legislative study rather than as a separate issue.

QUESTIONS SUBMITTED BY SENATOR WILLIAM S. COHEN

APPROPRIATE MIX OF CIVILIAN TECHNICIANS AND FULL-TIME MILITARY

Senator COHEN. What is meant by an appropriate mix of civilian technicians and full-time military?

Answer. There are certain jobs where military incumbency is more advantageous, such as Aircraft Operations, Military Personnel and Weapons System Security. Using the Congressional authority that permits each reserve component to determine and program the appropriate mix of full-time military and military technicians, the Air National Guard will continue to evaluate its manpower requirements and program a mix of full-time military and technicians that will best enhance mission accomplishment.

AIR FORCE INTENT TO MAN THOSE UNITS

Senator COHEN. Is it the Air Force's intent to man those units fully with Air Force personnel?

Answer. It is not our intent or desire to fully man Air National Guard (ANG) units with full-time military personnel. ANG technicians have been and will remain the preponderant full-time manpower force in ANG units

GUARANTEES IF INDIVIDUAL ELECTS TO CONVERT

Senator COHEN. If an individual elects to convert (for 2 years) is he or she guaranteed that they won't be transferred during that hitch?

Answer. ANG members who convert serve in the state and unit of their choice. The ANG does not currently have nor do we anticipate developing a policy or procedure to transfer or rotate ANG members.

GUARANTEED A SLOT IF ENLIST

Senator COHEN. If they enlist will they be guaranteed a slot until retirement?

Answer. ANG states that personnel who enter the military duty program should do so with the intent to complete their career in military status. However, ANG military personnel policies apply equally to all ANG members, including those in AGR status.

GUARANTEES AT EXPIRATION OF THEIR ENLISTMENT

Senator COHEN. At the expiration of their enlistment are they guaranteed a civilian technicians slot at that location with the same pay as they received before they enlisted?

Answer. If an individual was a military technician prior to his/her entering into AGR status, restoration rights would apply provided he or she meets the eligibility requirements for restoration to military technician status. Restoration rights guarantee military technician employment within the unit or state into a position not more than two grades lower than the one he or she vacated.

DIFFERENCE BETWEEN PAY WHEN YOU INCLUDE ALL MILITARY ALLOWANCES AND TAX BREAKS

Senator COHEN. What is the difference between pay when you include all military allowances and tax breaks?

Answer. The difference in pay is determined on an individual basis, taking into consideration such variables as length of time in service, number of dependents, geographic location, tax advantage attributable to quarters and subsistence allowance, and the technician grade from which the member converted. Although there is no noticeable skill deficiency between technicians and full-time military duty, there can be a difference between technician grades and military grades (e.g., GS–10 vs. 03) resulting in a difference in gross pay. Based on all these factors, the individual generally receives an increase in disposable income. Depending on the individual's tax bracket, and whether or not deductions are itemized, this increase may be further enhanced due to the increased value of the tax advantage.

AIR GUARD UNITS PERFORM SIMILAR MISSIONS TO AIR FORCE UNITS

Senator COHEN. Since some Air Guard units perform similar missions to Air Force units, can you tell us why the Air Guard unit at Otis Air Force Base performs a mission with 300 men while the Air Force unit at Griffiss Air Force Base performs with 550 men?

Answer. Although the flying missions are similar, activity levels are not identical. The active duty squadron at Griffiss AFB has a primary aircraft authorization of 18 F–106s versus 15 F–106s in the ANG at Otis. These extra aircraft support an additional two-airplane alert detachment that the Air Force operates at Loring AFB, Me. The Air Force also operates eight T–33 aircraft, whereas the ANG at Otis AFB operates two. These activity levels account for manpower differences.

AIR GUARD UNITS THAT ARE DILUTED BY MILITARY

Senator COHEN. Will the Air Guard units that are diluted by military lose their effectiveness and efficiency?

Answer. Air National Guard (ANG) units are not diluted nor is there any loss of effectiveness and efficiency, as a result of the mixed technician and military manpower force. There is no noticeable skill deficiency between technicians and full-time military. In fact, the flexibility of a mixed manpower force provides ANG units the capability to properly meet the many and varied manpower requirements of ANG missions. The ANG is currently maintaining a very high level of combat readiness with our mixed technicians/military force and anticipates that our high level of effectiveness and efficiency will continue in the future.

Questions Submitted by Senator J. James Exon

END STRENGTH INCREASE IN FISCAL YEAR 1983–84

Senator Exon. General Iosue, the Air Force has requested a 19,200 increase in end strength for fiscal year 1983, and only a 9,700 end strength increase in fiscal year 1984. Why shouldn't we make it easier on your recruiters and give you a 14,400 increase this year and the same next year?

General Iosue. The Air Force end strength is only one of a number of drivers for our accession levels, which is the primary driver on the work load for our recruiters. However, the primary reason that the even split between the 2 years would not be appropriate is that our manpower requirements are developed to support the specific missions, force structure, functions, and basing structure that the Air Force requires in fiscal year 1983. The 19,200 increase requested for fiscal year 1983 supports the specific programs and missions that the Air Force will be required to perform in fiscal year 1983. The projected increase for fiscal year 1984 is, at this point, a planning estimate which is now being reviewed intensively within the Air Force in preparation for the fiscal year 1984 budget. In summary, the Air Force active military manpower requirement for fiscal year 1983 to support its missions and functions is the 19,200 requested in the fiscal year 1983 President's budget. Any reduction to that number will require either the termination, or the rephasing and delay, of specific programs. These actions could have an adverse impact upon our readiness and sustainability capabilities.

INCREASE IN END STRENGTH REFLECTS A DESIRE TO KEEP ALL OF THE PERSONNEL ON BOARD

Senator Exon. General Iosue, retention is higher now in the Air Force than it has been for many years. How much of this 19,200 increase in end strength reflects a desire to keep all the personnel on board who want to remain during the coming year?

General Iosue. None of the 19,200 increase in military end strength is based upon a desire to keep all of the personnel who wish to remain on board during the coming year. Air Force manpower requirements are developed to support the missions, functions, force structure, and basing structure of the United States Air Force.

Ultimately, the number of authorizations (regardless of category, i.e., military/civilian/contract) the Air Force must have is a function of the missions we are required to perform, and the numbers and types of units to accomplish those missions. A basic responsibility of the Air Force Manpower and Organization function is to determine the specific numbers and categories of manpower required to perform workloads at all organizational levels. This is accomplished through the Management Engineering Program (MEP), using a variety of industrial engineering/work measurement techniques. The goal/objectives of the Air Force MEP is the development of manpower standards which show a work center's manhour-to-workload relationship and quantify the manpower requirements for various functional activities. These work center manpower standards are then aggregated to show Air Force-wide manpower requirements.

Once the total end strength for the Air Force is determined, then the Air Force accession and retention programs are developed and structured to meet the required end strength, rather than the reverse.

POINT AT WHICH YOU TURN AWAY PEOPLE

Senator Exon. General Iosue, if Congress reduces the size of your end strength increase this year, at what point would you have to turn away people who want to reenlist?

General Iosue. In any given year, needed reenlistees would be turned away only if and when recruiting objectives and end strength were achieved. In general, when we find ourselves bumping up against end strength, we try to solve the problem by reducing accessions but can't always do so depending on the remaining number of jobs to be filled in the year and the need for a minimum flow of new recruits to sustain the force in the out years. The decision concerning the mix of new recruits versus reenlistees would be made based on all factors known at the time.

REQUIREMENTS FOR 19,200 ACTIVE FORCE END STRENGTH INCREASE

Senator EXON. General Iosue, recruiting and retention in the Air National Guard and Air Force Reserve are doing very well. Can't some of the requirement for the 19,200 active force end strength increase be met by the Air National Guard or Air Force Reserve?

General IOSUE. The Air Force active military increases only 3.3 percent, active civilians decrease by 1.8 percent, and the Air Reserve Forces Selected Reserve Manpower increased by 2.8 percent (Air Force Reserve, +4.5 percent; Air National Guard, +1.7 percent in the fiscal year 1983 President's Budget.

The Air Force programs its requirements using a Total Force policy. Much of the Air Force's capability already rests in the Air Reserve Forces. Following is a list of the Air Reserve Force's contribution to the Air Force Total Force in fiscal year 1983:

	Percent
Tactical fighter/attack	34
Tactical reconnaissance	54
Fighter interceptors	66
Tactical air support	32
Special operations—Combat	50
Special operations—Other	26
Air refueling	21
Air rescue and recovery	36
Weather	35
Tactical airlift	59
Strategic airlift	49
Aeromedical airlift	30
Tanker/cargo	50
Electronic combat	25

The Guard and Reserve form the first and primary source of augmentation in an emergency requiring a fast and sizable expansion of the active force. Much of the Air Force increase displayed in the fiscal year 1983 President's budget is based upon validated peacetime workload requirements for which the active manpower provided will also satisfy wartime requirements. Therefore, increasing Guard and Reserve Forces might not be appropriate.

The Air Force has been a strong proponent of the Total Force policy and much of its capability already resides in the Air Reserve Forces, as shown above. There are limits, however, to how much support we can reasonably expect to obtain from the Reserve Forces. Some skills are not easily recruited and retained within the Reserves. Moreover, significant training requirements may preclude using the Reserves as a viable source of manpower for some specialities.

All of the above represent variables which must be considered in determining our mix of active, Guard and Reserve Forces. The Air Force goal remains improved readiness at minimum cost by insuring the most effective balance between active and reserve components as well as the proper balance between combat and combat sustaining forces. The Air Force carefully reviews its requirements and the optimum method of performing its functions. We rely to a large extent, as shown above, on the Air Reserve Forces for performance of much of our mission. The workload to be performed by the increased personnel requested in our fiscal year 1983 budget is best performed by active military manpower, since it represents daily, peacetime workload in support of active force missions, and provides the necessary military personnel to respond to immediate contingency and wartime requirements.

IMPROVEMENTS PASSED BY CONGRESS HELPED THE AIR FORCE

Senator EXON. General Iosue, have the recent compensation improvements passed by Congress helped the Air Force to attract back into service, people who have left the Air Force?

General Iosue. The recent compensation improvements have helped us achieve our increased prior service recruiting goals. However, military compensation must remain comparable with that provided in the private sector if we are to fully recover from the extraordinary losses of experienced members we suffered during 1978, 1979, and 1980 and if we are to maintain the essential experience levels necessary throughout the force buildup projected for the mid-1980s.

AVERAGE GRADE AND EXPERIENCE LEVEL OF PEOPLE

Senator Exon. General Iosue, what is the average grade and experience level of the people you are attracting back in?

General Iosue. For the first 5 months of fiscal year 1982, the average grade is E-4 with about 4½ years service.

DEMEANING TO BE REQUIRED TO USE A GOVERNMENT MESS

Senator Exon. Mr. Secretary, I am disturbed by the remark in your prepared testimony on payment of Basic Allowance for Subsistence for single NCOs in grades E-5 and E-6. You state that these personnel "consider it particularly demeaning to be required to use a government mess while their married junior enlisted counterparts may eat where they choose."

Mr. Secretary, by my calculation, the Congress has appropriated over $78.7 million during the last 5 years for building Air Force enlisted mess halls alone. If these facilities are demeaning perhaps this money could be put to better use elsewhere?

Mr. McCoy. We did not mean to imply that use of government dining facilities per se is demeaning and certainly believe that the money appropriated for our dining facilities was well spent. The key here is that our single careerists in grade E-5 and above resent the fact that they are forced to use a government dining facility while their married junior enlisted subordinates are not. Let me elaborate:

Denial of the basic allowance for subsistence (BAS) persists as the most significant career irritant negatively influencing the career decisions of mid-level enlisted managers who are denied the freedom to choose where, when, and what they eat. The implicit requirement to eat twenty-one meals each week in the same place is unrealistic for today's mobile noncommissioned officers (NCOs). They are adults in their mid-twenties who resent the paternalism and what they perceive to be the stigma of being issued a meal card in exchange for food in a "chow" line. This "forced feeding" negates any potential benefit of interaction between our career NCOs and their first-term subordinates during the meal hours. NCOs/supervisors in pay grades E5 and above consider it degrading to be required to use a government dining facility while their married junior enlisted counterparts may eat where they choose. Experience with payment of BAS to all members at two of our bases confirmed that when use of a government dining facility is made optional for all members, the utilization rate is not affected and that the desired positive interaction between NCOs and first termers results.

Our careerists are becoming increasingly aware that they subsidize the food service operation because operational requirements and other considerations preclude them from partaking of 40 percent of the meals authorized in a government dining facility. Aggravating the inequity is the fact that members on meal cards are not reimbursed for the meals they miss, even when official duties (e.g., firefighting, launching aircraft) preclude meal attendance.

Denying BAS has serious, negative impacts on the quality of life and acts as a career disincentive for our members, especially critically needed mid-level managers.

NCO'S MESS IN THE ENLISTED MESS HALLS

Senator Exon. General Iosue, don't you see any value in terms of command and rapport in having the NCO's mess in the enlisted mess halls? Doesn't that kind of thing have a positive impact on morale and discipline?

General Iosue. Yes. Indeed we encourage our senior enlisted leaders to eat a representative sampling of meals in the dining facilities. This both assures a high quality of food service and demonstrates to the troops the cohesive nature of military service. However, as noncommissioned officers (NCOs) advance in grade and assume added responsibilities, very often their official duties prevent regular attendance at scheduled meal hours. For this reason we believe a Basic Allowance for Subsistence (BAS) for career single NCOs signals recognition of their supervisory positions and provides reasonable recompense for meals consumed away from a dining facility.

FLEXIBILITY TO EXCEED THE CONGRESSIONALLY AUTHORIZED END STRENGTHS

Senator Exon. Secretary McCoy, you are asking the Congress for flexibility to exceed the Congressionally authorized military end strength by 1½ percent. This would be similar to the 2 percent flexibility the Congress has given to the Secretary of Defense to manage civilian personnel end strengths. Why do you need this flexibility?

Mr. McCoy. Currently, active duty personnel is the only category of personnel for which no end strength flexibility is provided to the Department of Defense. Selected Reserve personnel are authorized in terms of average strengths, not end strengths. Although civilian personnel are authorized as end strengths, Congress, as you have noted, has provided the Secretary of Defense with the authority to exceed those strengths by not more than 2 percent if such action is necessary in the national interest or because anticipated conversions of commercial activities from performance by Department personnel to performance by private contractors is determined to be inappropriate.

An inflexible, one day (September 30 of each year) ceiling on active duty personnel causes many problems for the Armed Forces in the management of the personnel force. The statutory requirement to meet that active military end strength on one day of the year often dictates inefficient management practices, particularly in a period with a growing or stable force. There are uncertainties inherent in military personnel management, such as unpredicted reenlistments and extensions which are not always offset by separations and retirements. With a declining force structure, such as has occurred for the past 13 years, the situation has not been a serious impediment to force management, as early separations and delayed accessions can aid in meeting the following year's lower requirements. However, the situation becomes unrealistic and inefficient with a growing or stable force structure. The delay of needed accessions until after a fixed September 30 end strength count may underutilize the training establishment, result in significant shortages by skill and may delay the scheduled fielding and support of new systems with trained personnel. The requirement to meet a 1-day ceiling could also force the premature loss of the experienced personnel needed in a growing or modernizing force.

This request would alleviate these problems by allowing the Secretaries concerned to effectively and efficiently manage their active military personnel requirements with an end strength flexibility similar to that currently provided the Secretary of Defense for civilian end strength. If enacted, it is anticipated that this flexibility would be useful in fiscal year 1982. The Secretaries concerned would have the authority to trigger an automatic increase of up to 1.5 percent in the active military end strength authorized annually when such increase is needed to maintain a stable personnel force. The 1.5-percent increase in the authorized end strength would provide a statutory ceiling, and a smaller increase could be effected within the discretion of the Secretary concerned.

We solicit your support for this authority.

WHY ONE AND ONE-HALF PERCENT FLEXIBILITY?

Senator Exon. Secretary McCoy, why did you pick 1½ percent flexibility? Why not one-half percent or 1 percent?

Mr. McCoy. The 1½-percent flexibility appears to provide a reasonable overstrength ceiling. Since we are dealing with a larger baseline for the active military end strength, compared to the civilian end strength, a lower percentage of flexibility should be required. When we looked at the 5-year end strength projections based upon the fiscal year 1982 President's budget, a 1½-percent flexibility provided us a reasonable stepping stone toward each of the following year's expected growth in end strength, an overstrength ceiling of approximately 8,500. A 1-percent flexibility would provide the Air Force about 6,000 overstrength ceiling, while a one-half-percent flexibility would provide the Air Force about 3,000 overstrength ceiling. We wish to provide the Secretary with the maximum flexibility, within reason, to capitalize on improved retention to support the Air Force mission, and to provide for a stable personnel force. The 1½-percent flexibility will provide this capability.

PRIVATE SECTOR COULD PERFORM THE FUNCTION WITH LESS EXPENSE

Senator EXON. Secretary McCoy, you state that fiscal year 1980 and 1981 cost comparison programs led to 137 contract conversion actions at a cost savings of over $186 million, and that the 54 functions that remained in-house resulted in additional savings.

Does this mean that the Air Force studied 191 functions during fiscal year 1980–1981 and that for nearly 72 percent of those functions it was found that the private sector could perform the function with less expense?

Mr. McCOY. Due to program slippages, not all studies are completed in the fiscal year for which they are announced. Notwithstanding that clarification, 72 percent of the cost comparison for these studies did indicate that a contract operation was less expensive.

DIFFERENCES BETWEEN CONVERSION PERCENTAGE AND THOSE OF OTHER SERVICES

Senator EXON. Secretary McCoy, how do you explain the difference between your conversion percentage and those of the other Services?

Mr. McCOY. It is difficult to explain the difference between the projected conversion to contract between the Air Force and the other Services. The figures may vary based on the types of functions studied, the demographic/geographic make-up, and the size of the studies. Experience has shown that where the functions were small and were primarily labor intensive contracts, we could not compete with the contractors because the wage rates we are required to pay in-house personnel are higher than the prevailing wage in the local area. The studies involving larger numbers of personnel and equipment have proven the Air Force to be competitive with contractors. It should be noted that when the percentage of manpower authorizations converted to contract are compared rather than the number of studies, the conversion percentages are comparable among the Services. For example, in their fiscal year 1979 programs, the Air Force and Army each converted about 63 percent of the manpower authorizations associated with cost comparisons.

MAXIMUM LEVEL OF MANPOWER SPACES THAT SHOULD BE CONTRACTED

Senator EXON. Secretary McCoy, what would you consider the maximum level of manpower spaces that should be contracted out in the Air Force today?

Mr. McCOY. It is difficult to answer that question prior to completing our 5-year review process. The Air Force would prefer that OSD not withdraw civilian end strength to facilitate a contracting-out program. We believe that the only way to identify the maximum level of manpower spaces that should be contracted out is to complete the Air Force 5-year review program. In that way all factors that require a function to remain in-house for reasons of readiness, overseas rotation, governmental functions, etc., can be examined.

EFFECT ON AIR FORCE OPERATIONS ON DOD INSTRUCTION 4100.33

Senator EXON. Secretary McCoy, what is the effect on Air Force operations of DOD Instruction 4100.33, requiring replacement of military personnel with civilians any time a function is studied for contracting out?

Mr. McCOY. DOD Instruction 4100.33, requiring replacement of military personnel with civilians any time a function is studied for contracting out, has had little effect on Air Force operations. Before an Air Force function is identified as a potential cost comparison candidate, a thorough review is conducted to determine that the military in that function are not required for wartime support. Once the military positions have been determined not essential for wartime support, the function can be performed by in-service civilians or by contract. However, if the results of cost studies determine that in-service performance is more cost effective, then the Air Force's civilian end strength ceiling will have to be increased to accommodate all of the functions that will continue to be performed in-service.

INCREASE IN FAMILY SEPARATION ALLOWANCE

Senator EXON. General Iosue, in your presentation you asked the committee for its support of an increase in the family separation allowance and for a new allowance for the storage of privately-owned vehicles (POVs). Is there money already allocated in the fiscal year 1983 budget request for these items?

General Iosue. Senator Exon, these initiatives are not in the fiscal year 1983 DOD budget. However, we are seeking OSD support to include them in the fiscal year 1984 DOD budget.

COST OF FAMILY SEPARATION ALLOWANCE AND POV'S

Senator Exon. General Iosue, how much will these two items cost during fiscal year 1983? How much will they cost over a 5-year period?

General Iosue. Air Force estimates that the family separation allowance increase from $30 per month to $65 per month would cost approximtaely $6.4 million in fiscal year 1984. The estimated annual Air Force cost for storage of POV's (when members are precluded from shipping a POV to an overseas location as is currently the case with Japan due to stringent emission standards) is approximately $0.7 million in fiscal year 1984.

Senator Jepsen. I will now ask if there are any closing statements that anyone has?

Mr. McCoy. No, sir. Thank you very much, Mr. Chairman.

Senator Jepsen. The hearing is adjourned.

[Whereupon, at 4 p.m., the subcommittee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1983

WEDNESDAY, MARCH 24, 1982

U.S. Senate,
Subcommittee on Manpower and Personnel,
Committee on Armed Services,
Washington, D.C.

RESERVE COMPONENTS PERSONNEL STRENGTHS

The subcommittee met, in open session, pursuant to notice, at 10:15 a.m., in room 224, Dirksen Senate Office Building, Senator Roger W. Jepsen (chairman) presiding.

Present: Senators Jepsen and Exon.

Also present: Anthony J. Principi, counsel; David S. Lyles and José E. Martinez, professional staff members; Ralph O. White, research assistant; and Jacquie S. O'Grady, staff assistant.

Also present: Jim Dykstra, assistant to Senator Cohen; Paul Schreiber, assistant to Senator Denton; Gray Armistead, assistant to Senator Byrd; and Greg Pallas, assistant to Senator Exon.

OPENING STATEMENT BY SENATOR ROGER W. JEPSEN, CHAIRMAN

Senator Jepsen. The Subcommittee on Manpower and Personnel convenes today to receive testimony on the Department of Defense authorization bill and related issues for fiscal year 1983.

This morning, we shall hear from representatives of several non-government associations relative to the administration's proposals for fiscal year 1983. This is our sixth hearing on the authorization request and our first opportunity to hear from non-DOD witnesses. Many of you have testified before our subcommittee in the past and have been of great assistance to us. I welcome you and look forward to your testimony.

Before commencing with your remarks, however, I wish to make a few short comments. Today, as we are all aware, we are faced with an extremely serious economic situation that cuts across many segments of our society. The burgeoning deficits have created a growing concern among my colleagues over the size of the defense budget and its impact on our economic recovery. I, too, share that concern.

However, I am also concerned over what I consider to be a very real and unprecedented offensive military buildup by our principal adversary. It is not imaginary or fabricated, as some would have us believe.

We are, therefore, faced with the difficult tasks of resolving two very critical problems at the same time—rebuilding our economy and our military strength. I believe we can accomplish both.

In the military manpower area, for which I have primary responsibility, it is essential that we continue to build upon the improvements that we achieved in the past 2 years. I keep hearing all the time that we should keep the momentum going.

I believe that by taking a discriminating and innovative approach to compensation and management, it will not be necessary to return to the practices that led us to the situation in which we found ourselves during the late 1970's.

If we do not, we shall not meet the manpower challenges that confront us in the mid and late 1980's. In addition, we must carefully examine the components of our total force and how we can maximize their contribution in a more cost-effective and efficient manner. There are many other areas that need to be carefully scrutinized by our committee.

At this point, I would like to welcome Gen. John R. Guthrie of the Association of the U.S. Army; Maj. Gen. J. Milnor Roberts, of the Reserve Officers Association; Maj. Gen. Francis S. Greenlief of the National Guard Association; Capt. Curtin R. Coleman II, of the Naval Reserve Association; Col. George F. Hennrikus, Jr., Retired Officers Association; Sgt. Maj. C. A. McKinney, Noncommissioned Officers Association; and Master Chief John B. Thomas, Jr., Navy Enlisted Reserve Association.

Our first group of witnesses will be General Roberts, Colonel Hennrikus, and Captain Coleman.

Senator Exon, do you have an opening statement or anything you would like to say before we proceed?

Senator **Exon**. Thank you, Mr. Chairman. I have no opening statement other than to join you in welcoming the distinguished group of witnesses we have this morning.

I apologize for being a little bit late. I was at another Armed Services Committee meeting and have to go back there shortly.

I would just like to say that while we currently seem to be doing quite well with overall recruiting, by and large, this does not mean that we should necessarily "let down our guard". At least this subcommittee feels that, regardless of how much money we spend on our overall defense structure in the United States of America, the success of the defense of the United States of America as the leader of the free world, depends to a large extent not only on the availability of the right type of people for all the military services, but on the proper training of them after we attract them in through some means.

The group we have here this morning has been tremendously helpful to this subcommittee in the past.

We are looking forward to your testimony, and I welcome you all.

Thank you, Mr. Chairman.

Senator **Jepsen**. Thank you.

Our first witness is Maj. Gen. J. Milnor Roberts.

Welcome, and it is good to see you.

STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, AUS (RET.), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

General ROBERTS. Thank you very much, Senator. It is a real pleasure to be here.

I would ask that my complete statement be submitted for the record and I would like to highlight it and summarize it in a few minutes.

Senator JEPSEN. Your statement will be entered into the record as if read.

Please proceed.

General ROBERTS. I think you are quite aware of the fact that the ROA consists of members of all services and, consequently, I would like to address each one for several minutes, to point out some of the highlights.

ARMY RESERVE STRENGTH

Starting with the Army, as you have pointed out, Senator, we are pleased that Army Reserve strength has increased each year for the last several years. We fully support the administration's request for fiscal year 1983 for 251,680 in the Selected Reserve of the Army.

However, we also would caution that the quality of the accessions in the Army Reserve has been below that of the other elements of the Army. In the last year or two, the percentage of high school graduates has been lower in the Army Reserve and I am afraid that the number of category IV has also been lower in the Army Reserve than in the Guard or in the Active Force side.

This was not the way it used to be. We believe the Army recruiting command should pay more attention to this to see if we cannot improve the quality as well as the quantity.

Of course, we continue to support the incentives which this Congress has made available. Usually the initiatives are taken by the Congress and not be the Defense Department. We would like to see those continued, if not increased, in some of the bonuses for reenlistments in units not previously included.

INDIVIDUAL READY RESERVE

We also would call your attention, though this is not in my prepared remarks, to the state of the Individual Ready Reserve of the Army, which is in very bad shape, worse than the people from the Pentagon will tell you.

I asked a question of General Thurman the other day about the number of the shortage in the IRR and he said something below 200,000. Frankly, I think this understates the case by approximately 300,000.

I am not sure what the answer to that one is, but it is a real problem. If we had a general mobilization tomorrow, I would predict that it would be necessary to draft people out of—perhaps I should not say "draft"—to take people out of Guard and Reserve units to fill the requirements. It is something this subcommittee might take a look at.

Senator JEPSEN. May I interrupt to make sure that I understood correctly what you said.

I believe you said that the Reserve forces are not 200,000 short, but are 300,000 short.

General ROBERTS. Oh, they are more than that in my judgement, Senator Jepsen. I think the official Army figure is 179,000 short in the IRR. Well, we know they only have about 200,000 in the IRR, counting everybody, and you can't even reach 20 percent of them. Their addresses are bad.

A study made by the Army War College a year or two back indicated a requirement of some 700,000 in the Individual Reserve of the Army to fill the shortages that presently exist in all units of the Army, to fill initial combat losses, and to fill units that will be mobilized, plus anticipated combat losses in the first 90 days.

I think that they are giving you a number which makes it look better, but frankly I think it is highly suspect.

NAVAL RESERVE

On the Naval Reserve, we are very pleased with the progress made in the last several years in the Naval Reserve, particularly with the attitude of the Chief of Naval Operations and Admiral Palmer, who are doing a great job.

This is reflected in the hardware being put into the Naval Reserve now, which is very encouraging. We think that they are doing a great job and they are looking to improve the hardware situation even further in the air units of the Navy as well as the surface units.

We have one concern that is paramount at the moment.

Their own studies indicate that by 1987, the Selected Reserve of the Navy should be at 121,187, and it is presently around 94,000. However, for the next fiscal year, they are requesting an increase of less than 5,000, bringing it up to a strength at the end of 1983 to 98,674.

Their argument is that they cannot really train many more people than that because of available school seats, et cetera. We suggest that they are never going to get to their requirement by 1987, however, if they do not do better than that.

So, we recommend that for fiscal year 1983 the number in the selected reserve of the Navy be authorized at 100,750, which is an increase over their request by around 6,000. I think this is a modest increase, but it would do better toward reaching their objective in 1987 than what they have proposed.

Also, we believe, while it is not of direct concern to this committee, that the money appropriated for recruiting is not sufficient this year. We are going to address that further in the appropriations hearings. We are not talking about a whole lot of money.

We also believe that we should take a look at the present regulations which preclude the very experienced people from serving in the Selected Reserve after they are in fleet reserve, and I think that might require a change in the law, if not in the regulations. But presently there are some highly qualified people out there who are not being used to fill critical shortages either in the fleet or the fleet reserve, that is, the Selected Reserve.

MARINE CORPS RESERVE

The Marine Corps Reserve is in good shape and is getting better. It is one of the few Reserve elements that has been at full authorized strength for several years. They are planning to increase for 1983, which we fully support. They have asked for and we would support more attention to bonuses to retain experienced people in the Reserve. They feel that perhaps it is not adequate at the present time. But, in general, the Marines have very few problems on the personnel side. They have other problems in equipment, which we need not address at this time.

AIR FORCE RESERVE

The Air Force Reserve has been No. 1 in overall readiness for a long time. There are several reasons for that, not the least of which is that their full-time manning has been adequately handled, with about 18 percent full-time people. But, also, they have a policy of commanding the Reserve with the Reserve, which I think is appropriate. The Chief of Air Force Reserve is also the Commander of the Air Force Reserve, and their readiness reflects his capability and perhaps that system.

They have requested an increase to 66,000 in 1983, which we fully support, and we believe they can get there without too much trouble, based upon their past performance.

We also would suggest that their individual program, what they call IMA, be supported for an increase to 10,000 this year because they have a wartime requirement of 18,000. That program works very well in the Air Force as well as in the Army and other services.

There is one point with regard to the Air Force which we think needs to be looked at again, and that is the pay cap which was put on the technicians in the Air Force Reserve this past year, which we think was most unwise, The money involved, the money questionably saved, is $164,000, and yet this established the precedent that you could isolate and treat one group of people differently than others. We think this is a very poor way to go and that the law should be repealed which was passed last year.

COAST GUARD RESERVE

With regard to the Coast Guard Reserve, I know that, in general, the Coast Guard is not a matter for armed services concern except in strength authorization. There it is your concern. We think the present treatment of the Coast Guard, as a whole, by OMB and the Department of Transportation, which went along with OMB, is really shocking.

For one thing, they are increasing the requirements for the Coast Guard, the duties of the Coast Guard. The problems with contraband, with illegal people coming in, with the 200-mile limit, and so on, are many, and yet they are cutting back on their resources.

In the case of the Reserve, they have a requirement of 16,500 Selected Reserve, and yet they are at less than 12,000 now. For 1983 the administration is suggesting a cut of 1,000 or so, however, and this makes no sense whatsoever. They are going the wrong way.

Actually, they are at actually only 55 percent of their wartime requirement and all of the other services are at a much higher figure, from 78 percent on up.

So, we would strongly recommend that we have an increase of 1,000 in the Selected Reserve of the Coast Guard over what they presently are for 1983, and then continue to build up that program in the next several years.

I would also like to mention, in closing, that we are quite supportive of the legislation which will cover Selected Reserve people on a portal-to-portal basis, so that if a reservist is injured while he is on his Reserve training, he will get appropriate medical coverage, which is not true at the present time. I will not go further into that because this subcommittee is not directly concerned with this this morning, but I would ask you to support that.

GI BILL

We also will continue to support the GI bill to include Reserve personnel, which Dr. Korb recently said that they did not need. There will be a hearing on the House side on March 31, and we expect to continue to participate along the line of supporting a GI bill. If not immediately required, the demographics are such that a couple of years from now, we are really going to be hurting for people. Right now they are in pretty good shape, but with the economy, well, we hope that will turn around very quickly.

The birth rate will catch up with us, too. By the mid-1980's we are certain that a GI bill of the type recommended presently is going to be required, so let's get going with it right now.

The health services demand one final word.

A couple of years ago, a bill was passed to provide medical personnel with specialized pay to retain them in the Active Force. That was not done for the Reserve. There is a critical shortage of medical personnel, particularly in the Army Reserve, but all of them have shortages.

We would ask that you consider legislation to provide bonuses for the medical people in the Selected Reserve.

That completes my summary, Mr. Chairman.

[The prepared statement of General Roberts follows:]

PREPARED STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, AUS (RET.), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. Chairman and Members of the Committee: It is a pleasure to have the opportunity to appear before this committee for a presentation of the views of the Reserve Officers Association on some aspects of the proposed 1983 program for Reserve Forces. In view of the fact that the Department of Defense continues to place very great reliance on Reserve components, the status of their training, support, and structure are of vital importance as they affect readiness of these units.

The members of this Subcommittee are quite aware that pressures to maximize the efficient use of dollars devoted to defense are unprecedented, and those dollars which are devoted to the Reserve components are some of the most cost effective anywhere in the entire defense structure. For example, the Reserve components receive only about five cents of every defense dollar in direct application, but Reserves make available approximately 30 percent of our Total Force. In the case of the Army, Reserve components supply over half of the combat units available upon mobilization and they also provide 70 percent of combat service support units. It is safe to say that there is no significant contingency which may confront this country which does not require fast and effective use of Reserve forces.

In consideration of the above facts, we believe that this Subcommittee should examine provisions for the Reserve very carefully and demand answers to questionable budget shortages which adversely effect the efficiency of these units.

ARMY RESERVE

Although significant progress is being made in a continuing high priority program to bring Army Reserve units up to authorized strength. and to retain qualified individuals in the units, problems also continue to exist. On the positive side, troop program unit end strength, which reached a low of 185,800 in fiscal year 1978. has been increasing steadily since then, with 189,900 in fiscal year 1979; 203,957 in fiscal year 1980; 223,045 in fiscal year 1981; and 241,000 in fiscal year 1982. The fiscal year 1983 strength request of 251,680 continues the upward trend, but still leaves the Army Reserve 35,000 short of wartime requirements.

Included in the budget request are monetary incentive programs supported by the Congress which will contiune to be a significant tool in increasing Army Reserve enlisted paid drill strength; channeling of new members into high priority units for 6 years; and attracting qualified high school graduates to enlist in critical skill positions in any unit. In fiscal year 1981 the program resulted in 5,580 soldiers enlisting for $1,500 cash bonuses and 3,490 enlisting for educational assistance of up to $4,000. ROA believes that the Congress should continue to support strongly this two-pronged bonus/educational assistance program which attracts qualified applicants who are upgrading the readiness status of the Army Reserve troop units; at the same time this program helps improve retention.

At a Congressional hearing Lt. Gen. Maxwell R. Thurman, expressed satisfaction with the increase in the percentage of high school graduates recruited by all components of the Total Army. However, although 71 percent of soldiers recruited into the active army in fiscal year 1981, and 63.7 percent recruited during the same period into the Army National Guard were high school graduates, only 61.4 percent of the 66,639 recruits accepted into the Army Reserve during fiscal year 1981 were high school graduates. Since recruiting for the Army Reserve is under the auspices of USA Recruiting Command, ROA is concerned with the apparent need to upgrade the quality of recruitment for the Army Reserve.

The full-time manning program in the Army Reserve, as a part of full-time unit support, is an area of continuing concern which ROA believes needs greater attention. Although the program shows material increases in full-time personnel, from 821 in fiscal year 1980 to a projected full-time manning strength of 3,588 in fiscal year 1983, the Army Reserve historically has had the lowest percentage of full-time personnel supporting units among all service Reserve Components. In view of the very positive effect of the program on unit readiness and on the efficient use and management of Reserve resources, ROA recommends that an even higher priority be placed on correcting the deficiency by doubling the number of full-time unit support military personnel assigned to Army Reserve Unit in fiscal year 1983.

NAVAL RESERVE

The Naval Reserve has made remarkable strides during the past 3 or 4 years with 1981 being the most productive year yet observed by ROA. These improvements cover the entire spectrum of strength, equipment, readiness and training. However, most impressive has been an attitude change by the Active Navy towards the Naval Reserve—"One Navy" appears well on the way towards reflecting a meaningful relationship and no longer represents the hollow phraseology which many of us observed for too many years. This remarkable turnaround can be attributed to the outstanding leadership of the CNO, Admiral Hayward; the knowledgeable and dynamic direction being provided by Secretary Lehman; and the strong and consistent emphasis by the Congress concerning effective utilization of Reservists.

The recent acceptance by OSD of the NAMMOS methodology for determining manpower requirements represents another hall mark. A close reading of the OSD language appears to reflect some possible reservations for the future; accordingly, OSD actions concerning Naval Reserve manpower strengths must continue to be monitored closely to determine if the spirit of NAMMOS has truly been accepted. Nevertheless, Congress is to be highly commended for keeping the pressure on OSD either to accept NAMMOS or to provide a logical alternative.

The administration proposal for 94,000 Selected Reservists in fiscal year 1983 certainly represents a significant improvement over the consistency many years of strength reduction proposals. In fact, the current Navy plan calls for a Selected Reserve strength of 98,654 by fiscal year 1987. Plans which call for increasing the size of the Selected Reserve towards the NAMMOS requirements are applauded by ROA. However, a look at the NAMMOS requirement for fiscal year 1987 shows a wartime requirement of 121,187. In other words, the gap between the Navy plan and NAMMOS requirements grows from the current 18,400 to 22,533 in fiscal year 1987—hardly the direction we should be going! This is particularly critical in view of the OSD Program Guidance which directs that the Services plan to meet all mobilization manpower requirements by the end of fiscal year 1986.

ROA concurs fully that quality should not be compromised for quantity. In no instance should personnel whose skills are not required for mobilization be brought into the Naval Reserve merely to reflect increased strength. Nevertheless, ROA believes that the Navy should move boldly towards planning to meet the stated NAMMOS requirements. To this end, however, merely authorizing and funding increased numbers may be insufficient. Many of the requirements are in medical related fields which are extremely difficult to fill. Another factor is the lack of "A" school seat availability which severly restricts the number of non-prior service "Ready Mariner" accessions. Expansion of the training base and development of incentives to attract needed, but scarce skills should be thoroughly explored.

ROA recommends that the Navy planning figures for the Selected Reserve reflect the OSD Program Guidance and to that end should project a constant growth towards the NAMMOS requirement of 121,187 by fiscal year 1987. Therefore, along with the Naval Reserve Association, ROA recommends that a Naval Selected Reserve strength of 100,750 be authorized for fiscal year 1983. We share the Navy's concern about attainment, but, nevertheless, believe that every effort, including those noted above, must be expended to prevent further widening of the gap between requirements and Selected Reserve strength.

A closely related and critical problem facing the Naval Reserve in the fiscal year 1983 budget request is a continuation of reduced recruiting funding originally levied in fiscal year 1982. The anomaly of reducing recruiting funds while at the same time increasing recruiting requirements is unusual, to say the least. The pressures to continue to increase the size of the Naval Reserve over the next several years, as we noted earlier, will probably continue. The immediate requirement is an increase of 7,000 personnel in the Selected Reserve. Nevertheless, the Chief of Naval Reserve will have a $1.89 million shortfall of funds for recruiting purposes in fiscal year 1983. This total shortfall is about equally split between the O. & M., and RPN appropriations. For example, the fiscal year 1981 advertising budget was $1.2 million, but for fiscal year 1983 it is only $965 thousand. Even though this situation generally reflects Congressional guidance to cut back on recruiting costs during a period of higher unemployment, it still makes no sense! Recruiting advertising and contact efforts cannot be cut off and on like a spigot, depending on perceptions of the market. Private industry fully appreciates this fact. No matter how successful Coca-Cola sales are, for example, they maintain a constant or increasing level of advertising. To do less results in quickly dropping sales. The Naval Reserve is tasked to significantly increase "sales," while their advertising budget is being reduced significantly. ROA recommends that the Chief of Naval Reserve be provided an additional $1.89 million for recruiting, including an increased advertising amount of $540 thousand, for fiscal year 1983.

Another issue of concern is the continuing active fleet petty officer shortfall which remains in the vicinity of 20,000. Since these are active fleet billets, they are not reflected in Reserve manning documents. This fact, combined with concerns about "double-funding," prevent the Selected Reserve from contributing to the solution of this problem. The result is a classic "Catch-22" situation wherein active manpower managers, seeing the same specific skill shortage in both active and Reserve components, talk about skill mis-matches between the fleet and the Reserve, while at the same time, even though service personnel in these skills are often available, they cannot be recruited into the Reserve because they are on the "Closed List." To the best of ROA's knowledge, this problem is not widely understood nor has it ever been fully studied. However, the need to make available all possible skills in the Naval Reserve to meet shortages in the active fleet upon mobilization seems painfully obvious. Accordingly, ROA recommends that Congress direct a thorough review of this most anomalous problem.

MARINE CORPS RESERVE

Again, as I testified last year, the Marine Corps Reserve manpower requirements appear to have been quite well provided for in the fiscal year 1983 budget request. As General Crist testified earlier before this committee, most problem areas have been addressed and corrective action provided for in the budget request.

ROA compliments the Marine Corps on their continuing recognition of the Reserve contribution and on their consistent support of the Reserve component. The Marine Corps Reserve Budget has reflected real growth every year since fiscal year 1978, showing 10 percent in fiscal year 1981; 11 percent in fiscal year 1982; and 6.7 percent programmed for fiscal year 1983. Such consistent support unfortunately has not been evident in many of our other Reserve components throughout the past few years. This support has enabled Marine Corps Reserve manpower planning to meet the OSD Program Guidance. Current plans show the Marine Corps Selected Reserve will be at one hundred percent mobilization required strength by the end of fiscal year 1986—an outstanding achievement!

Grade and skill shortages are commencing to emerge as significant problems in the Marine Corps Reserve. Initiatives have been undertaken by the Marine Corps to ameliorate these problems. As in the other Reserve components, however, Congress must provide additional incentives for Reserve recruiting and retention if these problems are to be solved. The Marine Corps Reserve recorded a dramatic increase (almost 250 percent) in first quarter fiscal year 1982 reenlistments resulting from a congressionally directed increase in the education bonus from $2,000 to $4,000. Concomitantly, enlistment and reenlistment bonuses have been insignificant incentive factors—due primarily to insufficient amounts and requirements to pro-rate over the enlistment period.

ROA concurs with General Crist's expressed concerns about adverse manpower impacts resulting from the use of aging Reserve Training facilities and equipment. These issues will be addressed to the appropriate subcommittees.

AIR FORCE RESERVE

Once again the Air Force Reserve has exceeded its programed end strength. In fiscal year 1981 it attained an end strength of 61,565 versus a programed 60,754. Quality also increased by 6 percent, with 95 percent of all non-prior service enlistees high school graduates. The efficiency of the Reserve recruiting program as well as the dedication of all Reserve members is reflected in this accomplishment.

In fiscal year 1983 an end strength of 66,000 is requested. This reflects the military personnel requirements for aircraft modernization and additional flying and mission support units. It is gratifying to note that the Air Reserve forces provide approximately one-third of the total Air Force flying mission capability with only 22 percent of the military personnel dollars. With the current pressures on the Defense Budget, it is obvious that the Air Reserve forces are a real bargain in the total force.

The Air Force Reserve is not only cost effective, it is a combat ready, fighting force. Exercise Codor Redoubt 81 this past summer proved that all Air Reserve units can be mobilized in 24 hours and deployed within 72 hours. With the exception of five units undergoing aircraft modernization, all flying units are combat ready. The key to this superb state of readiness is meaningful missions, modern equipment, and realistic training.

The Air Force Reserve certainly has a full spectrum of meaningful missions, from airlifting more that 68,000 patients in fiscal year 1981, to supporting the Space Shuttle mission, to officially saving 45 lives in rescue and recovery efforts. While there are serious aircraft modernization problems in the Air Force Reserve, I will present these at the procurement hearing. The third element, realistic training for mobilization is dependent upon the dedicated citizen-airman. Without their talent and personnel sacrifice, the best of equipment will not produce mission readiness.

We should not overlook the contribution of the Individual Mobilization Augmentees (IMAs) to the total force. These fully qualified individuals assist in the day-to-day mission of the Air Force while on inactive duty and active duty training periods. For example, intelligence IMAs support the Airborne Warning and Control System by analyzing Soviet electronic countermeasure systems. The IMA programming is continuing to build with a requested average strength of 10,832 against a wartime requirement of approximately 18,615. This year increased emphasis will be placed on recruiting IMA's and bonuses will be used in selected enlisted skills.

Among the key personnel in maintaining mission unit readiness are the Air Reserve Technicians (ARTs). These dual status individuals provide the day-to-day management and continuity of their units while performing in their civilian capacity. As military members of the units, they train other Reservists during active and inactive duty training periods. The high skill level and stability of these employees is critical in sustaining the Air Force Reserve's operational readiness. We are concerned that the manning of this crucial program will suffer if the Air Force civilian ceilings are lowered, since the technicians are included in these ceilings. With the unit conversions to more modern aircraft scheduled for fiscal year 1983, it is essential that adjustments be made to accomodate the requirement for increased numbers of technicians.

A related issue is the technicians "pay cap" imposed by the fiscal year 1982 DOD appropriations bill. This restriction does not apply to other Federal Civil Service employees. To single out the ARTs, who perform two distinct roles for two distinct salaries, is unfair and sets a bad precedent. In the interest of maintaining mission readiness, provided in large part by these key management personnel, we urge the repeal of this counter-productive restriction The money saved, $164,000 in the AFR, does not offset the damage done to sound personnel management and mission accomplishment.

Although programed end strengths are being met, recruiting of qualified personnel in critical skills continues to be difficult. Current manning in the units in critical skills in 91 percent. With the fiscal year 1982 incentive funds and the $2.9 million requested in fiscal year 1983 for enlistment/reenlistment bonuses, recruiting and retention in critical skills should improve. The educational incentive program is another valuable tool in enlisting and retaining personnel with critical skills.

In summary, the Air Force Reserve's wartime role continues to expand. With continued equipment moderization and successful recruiting of the necessary people, the Air Force Reserve will continue to be a fully responsive, combat ready force.

COAST GUARD RESERVE

Last year, I detailed before this committee the concern of ROA over the state of the Coast Guard and Coast Guard Reserve. The concerns and conclusions presented during that testimony remain valid. The only actions which have occurred subsequently have been ones which further exacerbated the already perilous plight of the Coast Guard—I refer to the fiscal year 1982 reductions, the absolutely appalling fiscal year 1983–1984 budget proposal, which incorporates even further reductions, and conclusions and recommendations apparently being reached by the Coast Guard Roles amd Missions study.

In previous testimony, we concluded that the Coast Guard and Coast Guard Reserve are not fully prepared to meet their statutory military duties as prescribed in 14 U.S.C. 1, which provides for the Coast Guard to be ". . . a military service and branch of the armed forces of the United States at all times." Unfortunately, nothing has occurred in the intervening months to allay our concern or change our conclusion.

Whatever the reason, there are those DOT and OMB who appear to be promoting the eventual demise of the Coast Guard. Even though this committee is not responsible for active Coast Guard authorization, I am sure that all members share our concern. Accordingly, we solicit your support in joining with other members of Congress to fend off these unjustified attacks on the Coast Guard.

This committee is responsible, however, for the sizing of the Coast Guard Reserve. In the on-going crisis situation surrounding the Coast Guard, very little is mentioned about the Reserve. In all honesty, it generally appears to be completely forgotten. However, as we have noted numerous times, the Coast Guard Reserve is essential to the accomplishment of the Coast Guard's port security mission, a critical mission which, according to most national security authorities, is the primary mobilization responsibility of the Coast Guard.

To digress for a moment, the Coast Guard Reserve is being required to absorb the cost of October 1, 1982, military pay raise—$5.5 million. This is going to severly impact Reserve training. The readiness capability of the Coast Guard Reserve is already in question as a result of Capital asset shortages. Further diminution of training will worsen an already borderline situation. For example, without $5.5 million in supplemental funding, 600 officers and 2,150 senior enlisted personnel will either voluntarily perform training duty in fiscal year 1982 without pay, or not at all! Additionally, no enlistment or reenlistment bonuses are being authorized for Coast Guard Reservists throughout all of fiscal year

1982. The adverse impact on mobilization readiness training of these measures is obvious and the situation can only be evaluated as totally unsatisfactory.

ROA is appalled, however, that the administration proposes a Reserve strength for fiscal year 1983 of 10,700—a reduction of 1,300 from fiscal year 1982. Last year, Congress authorized the first increase in Coast Guard Reserve strength in over 10 years, albeit a small one. All indications were that the Armed Services Committees were prepared to recommend an increase of 1,000 for fiscal year 1982 as part of a phased increase toward the goal of 16,500. Inexplicably, however, the Coast Guard indicated an inability to process more than 300 additions. Accordingly, only a 300-man year average increase was approved.

To propose a reduction in a Component which is currently authorized at only 55 percent of its wartime requirements, is totally absurd—particularly in view of the fact that the other Armed Services Reserve Components are authorized at a strength averaging 86 percent of mobilization requirements. Admiral Vaughn recently testified that when both the Selected Reserve and the IRR are mobilized, the Coast Guard will still fall some 6,000 people short of the 22,000 mobilization requirement (which requirement itself is probably low, not having changed in over 10 years.) This proposed reduction is simply incomprehensible!

ROA strongly recommends that, as a minimum, the Coast Guard Selected Reserve strength be increased to 75 percent of current stated requirements—16,500; and that a target date for attainment of this strength be established as September 30, 1985. ROA further recommends that the fiscal year 1983 Coast Guard Reserve authorization be increased by 1,200 to a level of 13,200, a level which we believe to be reasonably attainable.

The military readiness of the Coast Guard and the Coast Guard Reserve must be increased—not diminished! Both are absolutely essential to the successful implementation of the concept of rapid deployment and strategic mobility. We must, as a nation, recognize the contribution of the Coast Guard and Coast Guard Reserve to our national defense.

In accordance with our Congressional Charter, to insure adequate national security, the ROA is advising this committee that the Coast Guard and the Coast Guard Reserve must be recognized as an armed force. Further, that they must be provided with fiscal support commensurate with the other armed forces and at a level adequate to effectively carry out their lawful mission, both in peace and war. No less can be accepted!

CONCLUSION

I'd like to mention an area of concern which applies to all of our Reserve Components. ROA noted last year that over unanimous service opposition, OSD had commenced incorporating full-time support personnel and Individual Mobilization Augmentees into the Selected Reserve numbers. Such action appears to be clearly in violation of 10 USC 268 and 270 which specifically define the Selected Reserve and direct participation in at least 48 scheduled drills and 14 days of ACDUTRA each year. Additionally, such procedure not only confuses all concerned by using existing terms for new definitions, but also artificially inflates Selected Reserve strength numbers, thereby giving an erroneous impression of growth. OSD is still using this procedure and pointing to significant growth in the size of the Selected Reserve. Much of this announced growth is merely the result of changing the bookkeeping and should not be viewed as a significant growth in the "real" Selected Reserve. Such accounting procedures should be stopped, not only because of the apparent violation of statutory definition, but also because of the misleading impression of improved readiness resulting from such apparent strength increases.

While I have this opportunity, I'd like to briefly mention several other personnel items that ROA is interested in.

PORTAL-TO-PORTAL COVERAGE

ROA supports legislation introduced in the House of Representatives Montgomery and Holt (H.R. 1491, H.R. 1492, and H.R. 1493) and by Senator Jackson (S. 757, S. 758 and S. 759) that would provide so-called "portal-to-portal" protection for drilling Reservists. As you know, should a Reservist become violently ill during a weekend drill, the Department of Defense is not authorized under current law to pay for his medical care. Should he be injured on his way to or from drill, again, he is not authorized military medical care. The inequity is readily apparent when you consider that an individual on active duty would be covered in the circumstances just described. We urge this committee to rectify the current situation and provide these Reservists the proper coverage that they deserve for carrying out their military obligations.

GI BILL

ROA also supports legislation concerned with education which would improve quality and retention in both the Active and Reserve Forces. We are particularly interested in Representative Montgomery's H.R. 1400 (with amendments)—the improved "GI bill;" H.R. 815, Representative Hunter's bill to extend the termination of the present "GI" bill beyond 1989; and legislation such as Senator Chafee's Bill which would forgive certain civilian educational loans in return for service in the Armed Forces (S. 665).

RETIREMENT

ROA is greatly concerned over the administration's proposals to once again change the method by which retired pay is adjusted to reflect the increase in the cost of living. You are well familiar with the background: the elimination of the one percent kicker which had been added to compensate for lost purchasing power; the reduction from two adjustments a year to only one with the individual retiree absorbing the loss that had occurred during the previous calendar year; and now the administration proposes using the lower of the future active duty pay raise percentage or the CPI increase, thus guaranteeing that the relative purchasing power of military retirees will decline in the future.

In addition to this proposal the administration also recommends a cap on the pay raise of retirees so that their annuities are brought down to the level of annuities paid persons retiring under the latest pay scales. On first glance this appears to be fair; however, on closer examination we find that the reason such inversion exists is because previous administrations had capped active duty pay and failed to permit it to keep pace with inflation. If the administration is truly interested in fairness and equity it should propose a recomputation upward of those who retired prior to 1968 and thus did not benefit from the larger active duty pay raises that occurred in the late sixties and early seventies.

The two other proposals relating to retired pay, elimination of the look-back provision and the rounding down to the lower dollar, combine with the two provisions I have just discussed to convey a loud and clear message to the entire military community, both active and retired, that our government will breach its trust and, after accepting service rendered, will change the terms under which it compensates for that service. ROA believes that these proposals will have significant long-range implications, especially in the area of retention, and that the hidden costs of tampering with the military retirement system on a piecemeal basis should be thoroughly evaluated by the appropriate oversight committee of Congress before any changes are made in the current retirement program.

HEALTH CARE PERSONNEL

As you are well aware, the 96th Congress enacted PL 96–284, which established special pay for active duty medical officers. We anticipate that this legislation will contribute significantly to the recruitment and retention of Health Care Professionals and thus reduce the shortages in this professional service.

Unfortunately, the special pay established in PL 96–284 for active duty medical officers did not include the health professionals in the Reserve components where critical shortages also exist. Similar legislation is needed for the Reserve Forces health care personnel to overcome serious shortages in all the Services and to enhance their mobilization readiness. ROA believes that a special pay incentive program similar to PL 96–284 for the Reserve Components would help overcome one of the greatest obstacles in the recruitment and retention of qualified health care personnel.

Thank you for the opportunity to appear before you. Your support for the men and women in uniform, active and Reserve, is noteworthy and sincerely appreciated. I will be happy to answer any questions that you might have on these issues.

Senator JEPSEN. Thank you, General.

Colonel Hennrikus?

STATEMENT OF COL. GEORGE F. HENNRIKUS, JR., USAF (RET.), THE RETIRED OFFICERS ASSOCIATION

Colonel HENNRIKUS. Thank you, Mr. Chairman. My comments today, sir, will reflect the position of not only my own organization, the Retired Officers Association, but also the Retired Enlisted Association of Colorado Springs.

Your committee will soon be asked to consider legislation being drafted by the Department of Defense to reflect the administration's budget proposal with respect to military retirement.

Though the proposal is designed to relieve the near-term deficit problem, it will have a lifetime negative impact on 700,000 current retirees and all future retirees. For those already retired or nearing retirement, passage of the proposal will constitute a breach of faith. For others in uniform who have not yet made a career commitment, it will be a clear message that retirement no longer can be considered an incentive to continued service. Even those who have recently entered service, for whom retirement is a less significant factor, will perceive it as an indicator of how they may expect to be treated in the future.

For the past few months, I have discussed this proposal with those in the Office of Management and Budget with whom it originated, and members and staffers in the Budget Committee and others serving the Senate outside the Armed Services Committee.

My main purpose was to achieve some degree of understanding of the military profession and what it takes to find and keep the best people in uniform. I discovered that there is a great depth of ignorance on the subject. With few exceptions, the majority have little or no understanding of the significance of people in the defense equation. Many tended to treat military retirement as they would any other entitlement.

Because this committee understands its unique nature, I very much appreciate this opportunity to present the views of our organization. We are convinced that uniformed services retirement is an integral part of the overall career system. It is a carefully refined management tool which controls the quality and quantity of the force. Only 7.5 percent of those entering the service finally earn retirement benefits. Of this group, all but a few are forced out in mid-life with from 35 percent to 65 percent of gross pay received on active duty. The pay they receive in retirement is retainer pay, keeping the retiree subject to recall to active duty and to the Uniform Code of Military Justice. At the moment, there are about 350,000 retirees subject to some form of mobilization orders.

Despite its unique nature, the retirement system has been a perennial candidate for cost cutters. The resulting turbulance that this has created within the active force has had a marked effect on the ability of the services to maintain some degree of stability.

RETIREMENT SYSTEM

While proposals to change the retirement system have little or no effect on recruiting or even first reenlistments, they become a major factor for those middle-grade people making career decisions. Last year, a Congressional Budget Official observed in testimony before the House Armed Services Committee that the Government's treatment of the retirement system is the key indicator for the active force as to their own treatment.

Defense and service statements made to this committee in the past few months were highlighted with glowing reports of recruiting goals achieved and record-high reenlistment rates. The 2-year effort to reverse 8 years of pay caps, plus high unemployment, combined to make these possible.

We are convinced that, when the current recession ends, the savings that might be achieved by adopting the administration proposal will most certaintly be counterbalanced many times over by the cost of recruiting and training replacements for those who feel that their future security and that of their families has been jeopardized.

Earlier this month, the JCS stated its opposition to the administration proposal in a memo to Secretary of Defense Weinberger. It expressed particular concern over lower retention rates which would result in decreasing experience levels, increased recruiting and training requirements and diminished readiness.

We fully agree with the JCS and the individual services in this matter. All we ask, Mr. Chairman, is that uniformed services personnel be dealt with in an even-handed way. The burden for assuring this resides in this committee.

If further budget reductions are deemed necessary, military people should not be asked to assume more than their share of the burden. If it is determined that the military retirement system needs to be modified, then any change should be accomplished on the basis of all the facts available and predicated on national security requirements. They should not be driven by short-term budget considerations.

Finally, if the administration proposal is accepted, we ask that pay parity for older retirees be incorporated in this legislation. As the result of the last major change in the system in 1963, this group receives considerably less than others of the same rank and time in service.

Thank you for this opportunity, Mr. Chairman.

Senator JEPSEN. Thank you.

Captain Coleman?

STATEMENT OF CAPT. CURTIN R. COLEMAN II, USN (RET.), NAVAL RESERVE ASSOCIATION

Captain COLEMAN. Mr. Chairman, Senator Exon, I request my prepared testimony to be entered into the record and, with the concurrence of the committee, I would like to summarize my prepared statement.

Senator JEPSEN. Your statement will be entered into the record as if read.

Captain COLEMAN. Thank you.

Mr. Chairman, Senator Exon, we are very appreciative of the opportunity to testify before this very important committee again this year. You have been very understanding of Naval Reserve issues in the past and extremely helpful in solving some of the problems which have existed. We hope you will be supportive of the Naval Reserve in the future.

Last year, we were concerned over the fact that the amended budget by the new administration had practically no increase in the Guard and Reserve over the Carter budget. We chose to believe that the lack of attention to the Guard and Reserve was an oversight and not one of commission.

It is fairly obvious now that nothing much has changed in the Department of Defense. This year's proposed budget does very little to build up the Guard and Reserve. This is particularly disappointing after President Reagan made it a campaign issue and his Secretary of Defense, Weinberger, made a very emphatic point of the need to strengthen the Guard and Reserve in his confirmation hearings. We made a statement last year which bears repeating today, and I quote: "Words which lavishly and profusely pour forth in support of the Reserve and Guard do not cost money, while people, equipment, and training do."

We believe that more thought and planning should be demanded on the Pentagon's part as to where the Reserve components can do the job and save considerable money at the same time.

Maintaining a huge standing Army, Navy, and Air Force is tremendously expensive, and any portion of that force which can be assumed by a Reserve component is that much less of a burden to the taxpayer. The public mood seems to support a buildup in our defense establishment, but it will not tolerate nonessential or wasteful spending.

It follows that the larger the Guard and the Reserve contributions, the more the support from the citizenry.

NRA supports the thesis that the Guard and Reserve, properly supported, is the best defense buy available today.

Today, the Naval Reserve Association will comment on several of the personnel and compensation issues which are of interest to Naval Reservists. These include: Naval Selected Reserve strength; Selected Reserve accounting; the appointment process for the Chief of Naval Reserve Forces; Reserve retirement/benefits; and portal to portal coverage for Reservists and Guardsmen.

NAVAL RESERVE STRENGTH

On the subject of Naval Reserve strength, the strength of the Naval Reserve force has been a controversial issue since the first successful foray by the OSD budget analysts chopped over 12,000 billets from the Navy's recommended strength of 129,000 back in fiscal year 1974.

It now appears that through counter efforts, the Navy Selected Reserve strength is commencing a gradual rise back toward the Navy manpower mobilization system, known as NAMMOS, wartime requirements of 120,931, by fiscal year 1986.

In a report to the Congress this year, OSD provided its evaluation of the NAMMOS process. In brief, OSD, stated that it accepts NAMMOS as an authoritative and powerful tool to estimate time-phased wartime manpower requirements and the best mix of sources available to satisfy the manpower requirements.

The Naval Reserve Association believes that a significant hurdle has been crossed with OSD's acceptance of the NAMMOS, even though some of the language appears to be written in order to keep future options open. The CNO has stated that he fully supports NAMMOS, although the present Navy plan for increased Naval Reserve strength reaches only 98,654 by fiscal year 1987.

NRA believes that a continued phased climb to the requirement is feasible and very desirable if the stated OSD/Navy wartime mobilization requirements are valid. Failure to authorize and provide funding for a gradual increase in Naval Reserve strength to meet wartime requirements by 1986 appears to be unwise and contrary to the national defense efforts.

The program guidance memorandum, or PGM, by OSD directs that all mobilization manpower requirements be satisfied by the end of fiscal year 1986. The NAMMOS requirements of 112,400 for fiscal year 1982 rise to over 121,000 by end of fiscal year 1986. The NRA plan follows a steady, gradual, increase in Naval Selected Reserve strength from 94,000 in fiscal year 1982 to 121,000 by the end of fiscal year 1986.

There is some consternation within Navy circles about not being able to meet the NAMMOS numbers in outyears. However, the recruiters have not been put to the test for many years.

The years from fiscal years 1973 to fiscal year 1982 have been a time of declining strength, ending with a stable period of 2 years. NRA believes that it is certainly incumbent on all participants in wartime planning to provide for adequate forces to the best of their ability.

Our recommendation is the following. We strongly recommend that the Congress authorize and fund for a 100,750 Naval Reserve average drill strength for fiscal year 1983 as part of a gradual increase in Naval Selected Reserve strength to the NAMMOS figure to be reached by end of fiscal year 1986. The additional cost over the budget for fiscal year 1983 is $23.3 million.

SELECTED RESERVE ACCOUNTING

On the subject of Selected Reserve Accounting, several years ago, OSD proposed several methods of building up the Selected Reserve numbers without increasing the actual strength.

Various proposals of the numbers game included:

Counting TAR, training and administration Reserve, personnel; and counting individual mobilization augmentees, or IMA, and other categories.

The NRA strongly objects to including TAR's in the Selected Reserve strength figures for the following reasons:

The law was written to differentiate between categories of personnel;

TAR's are on full-time active duty, not in a drill pay status;

Consolidation of all the proposed groups in the Selected Reserve strength defeats the purpose of the original legislation;

An audit trail of the cost of the Selected Reserve would be a difficult, if not impossible task;

Special pay provisions would become very cloudy as to eligibility and the like; and

TAR's are not included in the NAMMOS requirements.

The NAR also objects to counting as selected reservists IMA personnel or any personnel, for that matter, who are in a category

"D" status. Category "D" personnel are not in a drill pay status, hence should not be included in the Selected Reserve strength.

OSD Directive 1215.6 eliminates CAT "D" personnel from the Selected Reserve by definition. IMA personnel in CAT "D" are not included in the 100,000 recall authority of the President.

The recommendation is that the Congress reject the add on to the Selected Reserve strength of 12,038 TAR personnel and 550 Category "D" IMA personnel in the fiscal year 1913 budget proposal. Neither of these two categories are selected reservists.

Next I will discuss the subject of the Chief, Naval Reserve Forces.

CHIEF, NAVAL RESERVE FORCES

The NRA supports a legislative initative to provide for a reserve flag officer, either Selected Reserve, TAR, or 265, to serve a 4-year assignment as Chief, Naval Reserve Forces. Additionally, two deputy chief positions, one each for surface and air, should be established and filled by reserve flag officers. The assignment of reserve flag officers to the highest leadership positions in the Naval Reserve will provide the Naval Reserve force with the maximum reserve expertise and understanding of reserve management problems. Concurrent with establishment of an all-reserve management team, authority should be granted to the Chief, Naval Reserve Forces, to assume the budget and program planning functions and the concurrent fiduciary responsibilities for expenditures for the Naval Reserve similar to that authorized for the other Reserve Component chiefs.

You have just heard General Roberts comment this morning on the good health of the Air Force Reserve because that is the way they run it.

All units of the Naval Reserve Forces should be placed under the operational control of the Chief of Naval Reserve Forces during peacetime conditions, except during period of active duty for training or inactive duty training that would necessitate transfer to other fleet commanders to accomplish training or operational commitments.

Our recommendation is that the position of Chief, Naval Reserve Forces, be established in law and provided with the management authority and responsibility of all Naval Reserve activities to include, but not be limited to, training, personnel, programs, budgets, policy, funds, force structure, plans and allocation of all moneys appropriated by the Congress for the Naval Reserve.

This position should be filled by a Reserve officer with the grade of at least rear admiral and should serve for a period of 4 years. The appointment as CNRF would be made by the president, by and with the advice and consent of this Senate.

A draft legislative proposal is available from NRA on this subject.

On the subject of Reserve benefits and retirement, this year, the Naval Reserve Association is concentrating on no cost or minimal cost programs of interest to Naval reservists.

The retirement issue is one of great concern. NRA's proposal would retain the benefits of retirees, active and reserve, rather than to have them modified downward by the administration. Alternatives to the administration's plan are also presented.

RETIRED PAY ADJUSTMENTS

On the subject of retired pay adjustments, the administration proposals to save funds by cutting back on the retirement pay of both active duty and Reserve retirees and the military survivors' benefits of many dependents consist of several recommendations well known to this committee.

The Naval Reserve Association is deeply concerned about the administration's proposed reductions in the military compensation system. Military retired pay is the most significant factor that causes a member to select a military career.

An obvious conclusion to the provision to limit future increases to retired personnel pay, until such retired pay equals that of those individuals retiring now, would be to bring equality to all retirees.

NRA recommends that, if equality is the goal, then, a recomputation of pay is in order for those retirees before 1968 who draw significantly less pay than the later retirees.

It is our recommendation that:

Congress reject the administration's proposal to base future retirement pay raises on the lowest of either the active duty pay raise or the CPI increase, whichever is lower. If the CPI factors do not realistically reflect the cost of living changes, change the CPI factors and establish a retiree CPI as recommended by the President's Commission on Pension Policy; and that Congress consider freezing the index on all 68 Federal entitlement programs for 1 year. We believe this is acceptable to the majority if the freeze is across the board.

On the subject of exchange privileges, the reservists who have retired with over 20 years satisfactory service but who have not yet reached age 60 in order to qualify for retired pay are in a nether world when it comes to retirement benefits. They have served their country with honor, but will not draw a penny's worth of compensation until they reach age 60. Should one of these individuals die before reaching age 60, he will receive nothing.

Our recommendation is that the Congress authorize unlimited exchange privileges for those reserve personnel who have retired from the military with over 20 years satisfactory Federal service.

On commissary privileges, NRA addresses the benefits of two groups of individuals in this discussion, the drilling reservists and the person who has retired from service with over 20 years satisfactory Federal service, but who is not yet 60 years of age.

Drilling reservists are qualified to shop at the commissary stores during their active duty for training periods. The retired reservists who have not yet reached age 60 have no rights to the commissary until they reach age 60.

Our recommendation is that the Congress allow the drilling reservists up to 14 visits or less, depending on the number of days of ACDUTRA performed, to the commissary store during the course of a year, at the member's convenience.

For the retired reservist who has not yet reached age 60, and therefore has no access to the commissary at the present time, NRA proposes that such an individual be allowed to shop at the commissary on an unlimited basis.

Although this may sound, at first blush, as though the flood gates would be opened, few members of the retired Reserve live within easy access of the commissaries, nor do a large percentage of the drilling reservists. The importance of this recommendation by NRA is the perception by the reservists, drilling and retired, that they are part of a team and are not being ignored.

NRA believes such an authorization by the Congress would pay large dividends at little or no cost to the Government and would start making the terms "total force" and "one Navy" meaningful.

Regarding portal to portal, portal to portal protection for drilling reservists has been under consideration for many years. It is a very simple concept which says that reservists traveling to and from their drill sites should be covered for injury, illness, and death.

The reservists are gambling that they will not be injured or killed while traveling to or from their drill sites. Only this past week, according to what I read in the newspaper, 23 Air Force reservists were killed while en route to their drill sites.

NRA believes this to be a gross inequity in the law, which should be changed to cover the reservists, whatever the cost. The fact is that the cost should be relatively small, almost miniscule in today's budget.

There are three proposed bills in the Senate and the House which have been submitted to correct the portal to portal inequity as well as other existing injustices in the law.

S. 757 amends titles 10, 32, and 37, United States Code, and provides portal to portal coverage for Guard and Reserve personnel traveling to and from drills.

S. 751 amends title 10, United States Code, and provides CHAMPUS coverage for surviving dependents of Reserve component members who are killed while traveling to and from drills, while drilling, and while proceeding to or from training duty of 30 days or less.

S. 759 amends 10, United States Code, and authorizes medical and dental care for reservists who become ill during a training period.

Our recommendation is that these proposed legislative changes take place. We urge the Congress to hold hearings on S. 757, S. 751, and S. 759 at an early date.

In summary, Mr. Chairman, the Naval Reserve Association fully supports the administration's efforts to regain maritime superiority. However, NRA believes that if the Nation's citizenry is going to sit still for a continued improvement in the country's defense posture, the public is going to have to be shown that a high priority is being given to the support of the Guard and Reserve modernization and its contribution to the total defense effort. We believe that the larger the Guard and Reserve participation in the total force, the better the acceptance by the citizenry.

In closing, NRA appreciates the efforts of the Chairman and the committee members and your staff in your conscientious efforts to keep the Guard and Reserve programs alive over the years. We all have a chance now in the present climate to make some of the improvements everyone has talked about in the past but could never quite implement with the necessary resources.

We hope the committee will consider our recommendations favorably, and that we can get on with supplying the harassed taxpayers with the best possible defense for the money spent.

Thank you, Mr. Chairman.

Senator **Jepsen**. Thank you.

[The prepared statement of Captain Coleman follows:]

Prepared Statement by Capt. Curtin R. Coleman, II U.S. Naval Reserve, President of the Naval Reserve Association

Mr. Chairman, committee members, we are very appreciative of the opportunity to testify before this very important committee again this year. You have been very understanding of Naval Reserve issues in the past and extremely helpful in solving many of the problems which have existed. We hope you will be as supportive of the Naval Reserve in the future.

Last year, we were concerned over the fact that the amended budget by the new Administration had practically no increase in the Guard and Reserve over the Carter budget. The services as a whole were treated very well and a definite attempt was made to upgrade the active forces which had been neglected for so long. We chose to believe that the lack of attention to the Guard and Reserve was an oversight and not one of commission.

It is fairly obvious now that nothing much has changed in the Department of Defense. This year's proposed budget does very little to build up the Guard and Reserve. This is particularly disappointing after President Reagan made it a campaign issue and his Secretary of Defense, Weinberger, made a very emphatic point of the need to strengthen the Guard and Reserve in his confirmation hearings. We made a statement last year which bears repeating today, and I quote; "Words which lavishly and profusely pour forth in support of the Reserve and Guard do not cost money, while people, equipment and training do" Unquote.

NRA is pleased with the strong bipartisan effort to shore up the defense establishment. However, we believe that more thought and planning should be demanded on the Pentagon's part as to where the Reserve Components can do the job and save considerable money at the same time. Maintaining a huge standing Army, Navy and Air Force is tremendously expensive and any portion of that force which can be assumed by a Reserve Component is that much less of a burden to the taxpayer. The public mood seems to support a build-up in our Defense establishment but it will not tolerate nonessential or wasteful spending. How much easier it would be to keep a balanced structure in Defense if the Guard and Reserve were treated in a more even handed manner. The larger the Guard and Reserve contribution, the more the support from the citizenry.

NRA supports the thesis that the Guard and Reserve, properly supported is the best defense buy available today.

The Naval Reserve Association fully supports the Secretary of the Navy and the Chief of Naval Operations in their efforts to achieve Maritime superiority in the shortest possible time. The association also believes there are significant savings to be made in reaching this goal by focusing on the most effective and economical way to do the job.

Today the Naval Reserve Association will comment on several of the personnel and compensation issues which are of interest to Naval Reservists. They include:

Naval selected reserve strength.
Selected reserve accounting.
The appointment process for the Chief of Naval Reserve Forces.
Reserve Retirement/Benefits.
Portal to portal coverage for Reservists and Guardsmen.
Reserve Officer Personnel Management Act (ROPMA).

A Naval Reserve Strength fact sheet is also included in this testimony for a quick and easy review of that issue by an interested party.

NAVAL RESERVE STRENGTH

The strength of the Naval Reserve Force has been a controversial issue since the first sucessful foray by the OSD budget analysts chopped over 12,000 billets from the Navy's recommended strength of 129,000 for fiscal year 1974. The OSD meat axe approach continued, cutting the Naval Reserve authorized strength to 87,000 in fiscal year 1978, until stemmed through counteractions by the Congress, NRA and other Naval Reserve supporters.

It appears now that through these counter efforts, the Navy Selected Reserve strength is commencing a gradual rise back toward the Navy Manpower Mobilization System, (NAMMOS), wartime requirements of 120,931 by fiscal year

1986. Although the new Administration has not authored any initiatives to increase the NR strength to any appreciable degree, the Congress seems quite willing to support the Navy's wartime requirements for its Reserve Force. This was evidenced by the affirmative actions taken by the Appropriations Committees, initiated by the Defense Subcommittee of the House Appropriations Committee, in approving the funding for a 92,000 NR in fiscal year 1981 and for 94,000 in fiscal year 1982. Additionally, the House Armed Services Committee raised the NR strength to 90,000 from the 87,000 submitted in the fiscal year 1982 budget (later dropped out of the Authorization Conference) and directed that a report be submitted by OSD, with Navy input, stating its acceptance or non-acceptance by OSD of the Navy Manpower Mobilization System (NAMMOS).

The evaluation and conclusion regarding NAMMOS reached by OSD and reported to the Congress can be summarized as follows:

(1) OSD accepts NAMMOS as an authoritative and powerful tool to estimate time-phased wartime manpower requirements and the best mix of sources available to satisfy the manpower requirements.

(2) NAMMOS is a process which improves with continuing use. It is a big step forward and OSD wholehartedly supports the NAMMOS concept.

(3) Although OSD supports NAMMOS it does not necessarily support all the NAMMOS numbers.

(4) Within the constrained peacetime budget, Naval Selected Reserve Manpower must be considered and prioritized along with other resource needs. OSD concluded that the Navy with OSD participation, has done an excellent job in developing NAMMOS, an endeavor that OSD applauds.

The Naval Reserve Association believes that a significant hurdle has been crossed with OSD's acceptance of the NAMMOS even though some of the language appears to be written in order to keep future options open. The CNO stated at the NRA conference in Albuquerque, back in October 1981, that he fully supports NAMMOS, but that he never funds anything at 100 percent. The present Navy plan for increased NR strength reaches 98,654 by fiscal year 1987. A comparison between that plan and one called for by OSD and Naval Reserve Association follows a bit later in this section.

The Navy plan for the low and slow increase to well below the NAMMOS requirements is reportedly guided by what some call attainability. NRA has not seen any convincing evidence that there cannot be a significant increase in the NR strength to NAMMOS numbers. To the contrary, it is beleived that a continued phased climb to the requirement is feasible and very desirable if the stated OSD/Navy wartime mobilization requirements are valid. While it is true that all requirements must be prioritized, it is also a fact that it is much less expensive to fund Reserves in peacetime for a wartime mission than to finance them in the active force. Failure to authorize and to provide funding for a gradual increase in NR strength to meet wartime requirements by 1986 appears to be unwise and contrary to the national defense effort.

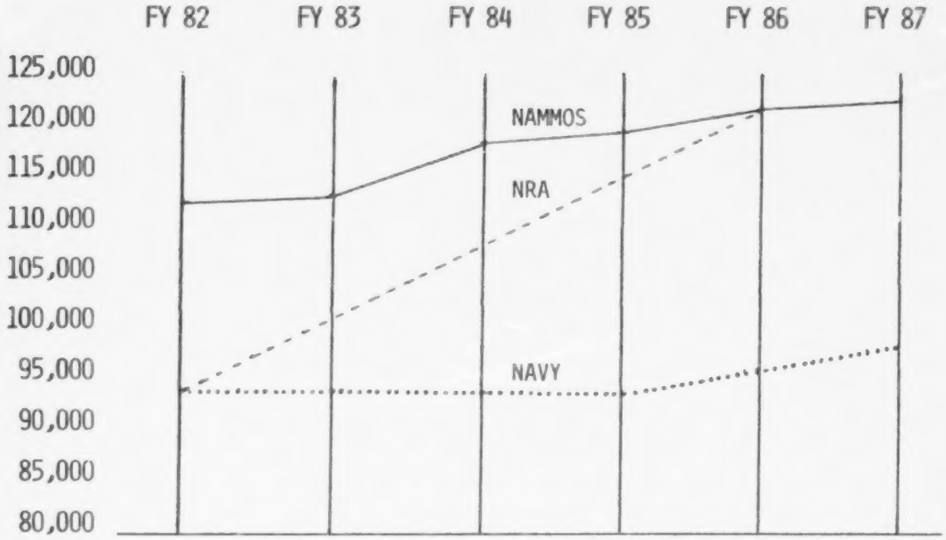
Several factors need to be remembered when discussing wartime requirements:

The Selected Naval Reserve is the only source of trained manpower immediately available to augment the active Navy in the event of war, national emergency, or for other contingencies which would require using Presidential authority to call up as many as 100,000 Selected Reservists for a 90-day period.

In addition to the NAMMOS requirement, the Navy is, and has been for almost a decade, short of many skill ratings to man the active force ships. It is not a stated Reserve mission at this time to help meet this shortage which, at the present time, numbers approximately 22,000. Although it is understood that there is a movement to identify personnel in the Individual Ready Reserve (IRR) and the Fleet Reserve to meet some of the shortages, the progress seems agonizingly slow.

The Program Guidance Memorandum (PGM) by OSD directs that all mobilization manpower requirements be satisfied by end of fiscal year 1986. The following quote is an unclassified excerpt from the PGM " . . . Our wartime manpower sustainability objective is to be able to satisfy all expected mobilization manpower demands. The services and Defense Agencies should program resources such that, by end—fiscal year 1986, they will possess the inventories, plans and procedures necessary to satisfy the projected demands for both military and civilian manpower through at least 6 months of a (possible) worldwide conflict with the Soviet Union . . . ."

The following chart shows the present proposals of Navy and NRA in relation to the NAMMOS wartime requirements by Fiscal Year:



	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
NAMMOS	112,400	113,400	117,398	118,925	120,931	121,187
NAVY	94,000	94,000	94,000	94,000	95,400	98,650
NRA	94,000	100,750	107,500	114,250	121,000	121,187

There is some consternation within Navy circles about not being able to meet the NAMMOS numbers in the out years. However, the recruiters have not been put to the test for many years. The years from fiscal year 1973 to fiscal year 1982 have been a time of declining strength ending with a stable period of 2 years. There are a number of initiatives that could be taken to aid in filling the wartime strength requirements. It is certainly incumbent on all participants in wartime planning to provide for adequate forces to the best of their ability.

Recommendation.—The Naval Reserve Association strongly recommends that the Congress authorize and fund for a 100,750 Naval Reserve average Drill Strength for fiscal year 1983 as part of a gradual increase in Naval Selected Reserve strength to the NAMMOS figure to be reached by end of fiscal year 1986. The additional cost over the budget for fiscal year 1983 is $23.3 million.

SELECTED RESERVE ACCOUNTING

Several years ago OSD proposed several methods of building up the Selected Reserve numbers without increasing the actual strength. Various proposals of the numbers game included:

Counting TAR (Training and Administration Reserve) personnel.
Counting Individual Mobilization Augmentees (IMA).
Counting standby reservists.
Counting retirees.

The Naval Reserve Association strongly objects to including TARs in the Selected Reserve strength figures for the following reasons:

The law was written to differentiate between categories of personnel, i.e., active duty, retired, Selected Reserve, Standby Reserve, Ready Reserve, Retired Reserve, etc.

TARs are on full time active duty, not in a drill pay status.

Consolidation of all the proposed groups in the Selected Reserve strength defeats the purpose of the original legislation.

An audit trail of the Selected Reserve would be a difficult if not impossible task.

Special pay provisions would become very cloudy as to eligibility, etc.

TARs are not included in the NAMMOS requirements—Inclusion in the SELRES strength figures give a false indication of drill pay numbers.

NRA also objects to counting as Selected Reservists IMA personnel, any personnel for that matter, who are in Category "D" status. CAT "D" personnel are not in a drill pay status hence should not be included in the Selected Reserve strength. OSD Directive 1251.6 eliminates CAT "D" personnel from the Selected Reserve by definition. IMA personnel in CAT "D" are not included in the 100,000 recall authority of the President.

Recommendation.—That the Congress reject the add-on to the Selected Reserve strength of 12,038 TAR personnel and 550 Category "D" IMA personnel in the fiscal year 1983 budget proposal. Neither of the two categories are Selected Reservists.

CHIEF, NAVAL RESERVE FORCES

The NRA supports legislative initiative to provide for a reserve flag officer, either Selected Reserve, TAR or 265, to serve a 4-year assignment as Chief, Naval Reserve Forces. Additionally, two (2) Deputy Chief positions, one each for surface and air, should be established and filled by reserve flag officers. The assignment of reserve flag officers to the highest leadership positions in the Naval Reserve will provide the Naval Reserve Force with the maximum reserve expertise and understanding of reserve management problems. The Staff/s of the Chief of Naval Reserve should consist of a minimum of 40 percent Reserve officers. Concurrent with establishment of an all-reserve management team, authority should be granted to the Chief, Naval Reserve Forces to assume the budget program planning functions and the concurrent fiduciary responsibilities for expenditures for the Naval Reserve similar to that authorized for the other Reserve Component Chiefs.

To properly execute this responsibility, the CNRF should establish a comptroller organization within the Naval Reserve. All units of the Naval Reserve Forces should be placed under the operational control of CNRF during peacetime conditions except during periods of active duty for training that would necessitate transfer to other fleet commanders to accomplish training or operational commitments.

NRA feels that the Navy needs to vest the budget management, training and operational responsibilities with reserve leaders who can best serve the objectives of the Naval Reserve mission.

Recommendation.—The NRA recommends that the position of Chief, Naval Reserve Forces, be established in law and provided with the management authority and responsibility of all Naval Reserve activities, to include, but not be limited to, training, personnel, programs, budgets, policy, funds, force structure, plans and allocation of all monies appropriated by the Congress for the Naval Reserve. This position shall be filled by a Reserve officer with the grade of at least Rear Admiral and will serve for a period of 4 years. The appointment as CNRF will be made by the President, by and with the advise and consent of the Senate.

To assist the CNRF in executing his duties the positions of DCNRF, Air and DCNRF, Surface should also be established in law. The NRA recommends that appointments be made from Naval Reserve Rear Admirals or Commodores by the Secretary of the Navy and that they hold office for four years.

(A draft legislative proposal is available from the Naval Reserve Association)

RESERVE BENEFITS/RETIREMENT

General

This year the Naval Reserve Association is concentrating on no cost or minimal cost programs of interest to Naval Reservists. The only program with any additional tangible expense to the taxpayer is the Portal to Portal coverage for Reservists, which is estimated to cost not more than $8.0 million to $10.0 million a year, a program that would correct a gross injustice to the drilling reservists. The estimated cost would pay great dividends in the long term by relieving a lot of hardships and heartaches to the Reservists and/or their families if the Reservist is killed or injured going to or from a scheduled drill.

Other proposals relate to exchange privileges which are not subsidized and to Commissaries where additional costs would be miniscule.

The Retirement issue is one of great concern. NRA's proposal would retain the benefits of retirees (active and reserve) rather than to have them modified downward by the administration. Alternatives to the administration's plan are also presented.

Retired pay adjustments

The fiscal year 1983 budget proposal that recommends changes in the current retired military pay system may adversely affect the retired pay of many naval officers now receiving a retirement annuity. The administration's proposal would discontinue retired pay increases to all personnel who now receive an amount equal to or above 120 percent of the amount they would receive if they retired in 1982 based upon the same grade and length of service. On the surface, this may appear quite justified since retired pay increases have kept up with, or, at times, even exceeded the increases awarded to active duty personnel resulting in situations where a retiree might draw a retirement annuity that exceeds the amount that would be paid to someone of comparable grade and service retiring today. However, the other side of this equation must also consider those personnel who retired prior to 1968 and did not benefit from larger active duty pay raises. These retirees need a recomputation of retired pay to bring their retainer pay in consonance with all other retired military personnel.

The Administration proposals to save funds by cutting back on the Retirement pay of both active duty and Reserve Retirees and the military survivors benefits of many dependents consist of several recommendations. They are:

An immediate cap on military and Federal civilian retirees whose annuities are higher than those of the personnel presently retiring.

Elimination of the one year look back provision whereby new retirees can base their retirement pay on either the basic pay scales which were in effect when they retired or those in being the previous year plus inflation adjustments which occurred during that year.

Rounding down all Federal retirement checks to the lowest dollar.

Basing future retiree pay raises on the percentage of the active duty pay raise or the CPI adjustment whichever is the lowest.

It is significant that actions which affect military pay and retirement pay always seem to occur well after the fact and invaribly end up requiring extensive remedial action which is, by that time, also behind the power curve. In other words, by the time Defense finishes studying a situation, arrives at a solution acceptable to the services, makes its recommendations to the Congress via Office of Management and Budget (OMB) and is enacted by the Congress, conditions have usually changed considerably. The problem is then studied again and the chain of events starts again. In the meantime, the services have, first, too few people and then, later, an abundance of people available. To try to stop this, an indexing is established upon which to base the pay increases. Those indices are the first to be capped during periods of frugal budgets. This only compounds the disparity at a later date. What the answer to this tail chase is has obviously not been discovered as yet but both active duty and retired personnel stay on the receiving end of some very inconsistent actions or inactions.

Previously, the CPI oriented pay adjustments for retired personnel was made once a year with a 1 percent kicker added on to compensate for the theoretical loss of pay during the year caused by the delayed raise. Congress then changed that to provide two retired pay raises each year based upon the CPI and eliminated the 1 percent kicker. Now the administration has received approval to go back to one a year retired pay increases, eliminating the kicker. Further, the administration proposes using the lower of the future active duty pay raise percentage or the CPI increase whichever is lower.

The Naval Reserve Association is deeply concerned about the administration's proposed reductions in the military compensation system. Military retired pay is the most significant factor that causes a member to select a military career. Since the recruiting program has been relatively successful recently due to increased active force pay and the high unemployment in the civilian sector it appears that cutting back on the very incentives that attract quality recruits and retain career personnel is self defeating to the country's effort to man the military establishment (active and reserve) with adequate numbers of qualified individuals.

An obvious intention of the provision to limit future increases to retired personnel pay, until such retired pay equals that of those individuals retiring now, is to bring equality to all retirees. NRA recommends that, if equality is the goal, then, a recomputation of pay is in order for those retirees before 1968, who draw significantly less pay than the later retirees.

NRA also objects strongly to the provision to limit future increases to the active duty pay raise rate or the CPI increase, whichever is lower. This is a particularly onerous proposal which could mean no pay increases for several years, or, only a small percentage of the CPI increase even in a highly inflated economy. Such a proposal represents double-dipping by the government. NRA believes this provision of the administration's proposal is not only completely unfair, but it is also a breach of faith and hopes the Congress will reject that proposal.

Recommendation.—NRA recommends that:

Congress reject the administration's proposal to base future retirement pay raises on the lowest of either the active duty pay raise or the CPI increase, whichever is lower. If the CPI factors do not realistically reflect the cost of living changes—change the CPI factors and establish a retiree CPI as recommended by the President's Commission on Pension Policy.

Congress consider freezing the index on all 68 Federal entitlement programs for one year. This is acceptable to the majority if the freeze is across the board—unless—the intention is to make all military retirees equal by raising the retiree rates for the pre-1968 retirees (recomputation) to the level of the personnel retiring at the present time.

Exchange privileges

Reservists are now permitted to visit Exchanges on a one for one basis commensurate with the number of drills attended. The visits can be at anytime within the year during drill periods or subsequent to the drills being performed. Reservists who have reached age 60 and are drawing retirement pay may shop at the Exchange at anytime.

In between these two groups are the Reservists who have retired with over 20 years satisfactory service but who have not yet reached age 60 in order to qualify for retired pay. These individuals are in a nether world when it comes to retirement benefits. They have served their country with honor but will not draw a penny's worth of compensation until they reach age 60. Should one of those individuals die before reaching age 60 he will receive nothing.

NRA believes that a Reservist who retires after 20 years or more of satisfactory service is entitled to unlimited Exchange privileges once he has reached the satisfactory retired status. This is a no cost to the government benefit which would show that a grateful nation is willing to show its appreciation for a job well done.

Recommendation.—NRA recommends that the Congress authorize unlimited Exchange privileges for those Reserve personnel who have retired from the military with over 20 years of satisfactory federal service.

Commissary privileges

NRA addresses the benefits of two groups of individuals in this discussion, the drilling reservists and the person who has retired from service with over 20 years satisfactory Federal service, but who is not yet 60 years of age. Drilling reservists are qualified to shop at the Commissary stores during their Active duty for training periods. The retired Reservists have no rights to the Commissary until they reach age 60.

In the case of the drilling Reservists, the trip to the Commissary probably averages out to once or twice during a two week Active Duty for Training stint. No one shops at the Commissary every day during his ACDUTRA stint.

A more reasonable alternative would appear to be to allow the drilling Reservists up to 14 visits or less, depending on the number of days of ACDUTRA performed, to the Commissary store during the course of a year, at the member's convenience.

For the Retired Reservist who has not yet reached age 60 and therefore has no access to the Commissary at the present time, NRA proposes that such an individual be allowed to shop at the Commissary on an unlimited basis. Although this may sound, at first blush, as though the flood gates would be opened, few members of the Retired Reserve live within easy access of the Commissaries nor do a large percentage of the drilling Reservists. One can then ask whether this wouldn't be limiting the privilege to a relatively few personnel. The importance of this recommendation by NRA is the perception by the Reservists, drilling and Retired, that they are part of a team and are not being ignored. NRA believes such an authorization by the Congress would pay large dividends at little or no cost to the government and start making the terms "Total Force" and "One Navy" meaningful.

Recommendation.—NRA recommends that the Congress authorize drilling Naval Reservists to utilize the Commissary stores on a one for one basis for up to 14 days each year based upon days of annual active duty for training performed. Further, that Reservists who have retired with over 20 years satisfactory Federal service, but who have not yet reached age 60, be authorized to shop at the Commissary Stores at their convenience.

PORTAL TO PORTAL

Portal to portal protection for drilling reservists has been under consideration for many years. It is a very simple concept which says that reservists traveling to and from their drill sites should be covered for injury, illness and death in much the same manner as they are during the actual drill periods.

The proposal to provide this coverage has surfaced in the Congress many times over the years but has never been enacted. Defense has objected in the past, preferring to wait until a complete comprehensive package on reserve compensation could be submitted. This has not occurred and probably won't for some time. In the meantime, the reservists continue to gamble that they will not be injured or killed while traveling to or from their drill sites.

The absurdity of the situation is apparent when it is realized that reservists proceeding to and from drills via Navy or other service aircraft are not covered for injury or death. In some locations, messing is not available at the drilling site. In this case a reservist is not covered while traveling to or from a restaurant to have lunch. There have been horror stories concerning drilling reservists who were injured, maimed, or killed while enroute and not entitled to any health care or compensation.

NRA believes this to be a gross inequity in the law which should be changed to cover the reservists, whatever the cost. The fact is that the cost should be relatively small, almost miniscule in today's budget. Various estimates place the annual cost at around $8.0 million to $10.0 million.

There are three proposed bills in the Senate and the House which have been submitted to correct the portal to portal inequity as well as other existing injustices in the law. The Bills are H.R. 1491/S. 757, H.R. 1492/S. 758, and H.R. 1493/S. 759 submitted by Representative Sonny Montgomery (D-MS) and Senator Henry Jackson (D-WA), respectively.

H.R. 1491/S. 757 amends Titles 10, 32 and 37 United States Code and provides for medical care, pay and allowances and physical disability retirement for Reserve Component members who are injured while proceeding to and from inactive duty training. In other words, it provides portal to portal coverage for Guard and Reserve Personnel traveling to and from drills.

H.R. 1492/S. 758 amends Title 10 U.S.C. and provides CHAMPUS coverage for surviving dependents of Reserve Component members who are killed while traveling to and from drills, while drilling, and while proceeding to or from training duty of 30 days or less.

H.R. 1391/S. 759 amends Title 10 U.S.C. and authorizes medical and dental care for Reservists who become ill during a drill period.

Recommendation.—NRA fully supports these proposed legislative changes and urges the Congress to hold hearings on H.R. 1491/S. 757, H.R. 1492/S. 758, and H.R. 1493/S. 759 at an early date.

RESERVE OFFICER PERSONNEL MANAGEMENT ACT (ROPMA)

The ASD (M, RA, &L) has established a joint service steering committee and working group to prepare legislation for management of reserve officers compatible with the Defense Officer Personnel Management Act (DOPMA) that was enacted in December 1980. Prior to enactment the NRA supported the OSD and House legislative proposals but disagreed with some of the provisions contained in the Senate version. The enacted legislation, which represents a compromise between House and Senate bills, is still deficient in one major area that pertains to members of the Reserve Components. In the past the NRA has strongly objected to placing on the active duty list (lineal list with regular officers) those reserve officers who have been voluntarily or involuntarily ordered to active duty for certain periods of times. DOPMA contains the Senate provisions which would place mobilized reserves and others on active duty for periods in excess of 180 days on the active duty lineal list. The NRA still opposes this feature of DOPMA which results in direct competition for promotion between regular officers and reserve officers with broken service. Historically, this practice results in a much higher failure of selection rate for reserve officers than they would normally otherwise experience if they competed with other reserve officers.

Recommendation.—The NRA strongly recommends that ROPMA language be developed to exclude mobilized reserve officers and certain other short-term active duty reserve officers from placement on the active duty lineal list for two years after returning the active duty unless otherwise directed by the President. The negative aspects of this DOPMA feature which creates an inequity for the reserve officer far outweighs the necessity to put all active duty officers in the same promotion system regardless of their active duty commitment.

SUMMARY

Mr. Chairman, in summary, the Naval Reserve Association fully supports the administration's efforts to regain Maritime Superiority. As an island nation, to do otherwise is to invite Soviet adventurism and expansionism. The survival of our Nation could easily depend upon control of the seas.

NRA has been disappointed that the campaign promise of President Reagan, and the follow-on verification by Secretary Weinberger during his confirmation hearing, to build-up the Guard and Reserve Forces, have not culminated in any perceptive action to accomplish that goal. In the amended Reagan budgets last year, and the one proposed for fiscal year 1983, there is no discernible movement to place more emphasis on the use of the Reserve Components or even to correct the gross equipment disparities in the Reserve and Guard Forces.

NRA believes that if the Nation's citizenry is going to sit still for a continued improvement in the country's defense posture, the public is going to have to be shown that a high priority is being given to the support of the Guard and Reserve modernization and its contribution to the total defense effort. We believe that the larger the Guard and Reserve participation in the "Total Force," the better the acceptance by the citizenry.

The Naval Reserve strength has been a political football since 1973. Now the Navy, OSD and the Congress have accepted the Navy Manpower Mobilization System (NAMMOS) as a legitimate authority on the Naval Reserve wartime requirements. Consequently, NRA proposes that the Congress support the guidance by OSD to the services to reach *inter alia* wartime mobilization manpower demands by end of fiscal year 1986. The proposal shown in the graphs contained in this testimony, establishes a ramp from the NAMMOS requirement of 94,000 Naval Selected Reservists in fiscal year 1982 to a 121,000 drill pay strength in fiscal year 1986. It is emphasized that this proposal is part of an overall plan to reach Naval Reserve wartime requirements in manpower, equipment and other resources by end of fiscal year 1986. It is hoped the Congress will be amenable to supporting the plan with modern equipment, recruiting assets, etc. The plan will save the taxpayers considerable money in the long run and improve the defense posture at the same time.

NRA strongly objects to the OSD proposal to count TARs and Cat "D" personnel as Selected Reservists. They are not Selected Reservists by definition in the statutes and in the applicable OSD Directive. Should the Congress decide to change the law and include the two categories in the Selected Reserve numbers (hopefully you will not) then the Naval Reserve Association request for fiscal year 1983 would be a 7,838 increase in the Reserve strength over the budget proposal of 105,500—or—a 113,338 Naval Reserve strength. It is already confusing and the decision has not yet been made.

NRA has been on record for years as supporting a Reservist as Chief of Naval Reserve. We believe this is the time to assign a Selected Reservist or reservist on active duty in each of three top reserve billets; the Chief of Naval Reserve Forces, Deputy Chief for Air and Deputy Chief for Surface. NRA proposes that Chief of Naval Reserve Forces be appointed by the President, confirmed by the Senate and provided with management authority and responsibility of all Naval Reserve activities to include, but not be limited to, training, personnel, programs, budget, policy, funds, force structure, plans and allocation of all money appropriated by the Congress for the Naval Reserve. Legislative change is necessary to accomplish the above and bring the Naval Reserve structure in line with the rest of the Reserve Components. NRA has a draft legislative proposal available.

Reserve benefits and retirement issues were covered at some length in this testimony. NRA recommends that Congress reject the administration's proposal to base future retirement pay on the lowest of either the active duty pay raise or the CPI. This is double dipping by the Government. Rather, consider freezing the index on all 68 federal entitlement programs for one year or provide recomputation for those retirees before 1968 to raise their rates to the level of those retiring today.

For drilling reservists, NRA recommends a Liberalization of Commissary Privileges and for retired Reservists, who are not yet drawing retired pay, we recommend granting Exchange and Commissary privileges. These proposals would not only be at a very minimal cost to the taxpayer but would enhance the perception among Reservists as being part of the so-called "Total Force" or "One Navy".

Portal to portal coverage contained in H.R. 1491/S. 757 and the associated bills H.R. 1492/S. 758 and H.R. 1493/S. 759 would correct inequities that have existed for a long time. These bills would provide the drilling reservists and those on active duty of 30 days or less with the same coverage as their active duty counterparts. NRA strongly endorses these legislative proposals.

In closing, Mr. Chairman, NRA appreciates the efforts of the Chairman and the committee members and your staffs in your conscientious efforts to keep the Guard and Reserve programs alive over the years. We all have a chance now in the present climate to make some of the improvements everyone has talked of in the past but could never quite implement with the necessary resources. We hope the Committee will consider our recommendations favorably and that we can get on with supplying the harassed taxpayers with the best defense available for the money spent.

Thank you, Mr. Chairman.

Senator JEPSEN. Senator Exon, I understand that you may have to leave. Do you wish to question the witnesses?

Senator EXON. I just got word that I do not have to leave for another half hour, Mr. Chairman.

I do have some questions which I would like to direct to the members of this panel, who gave very good testimony which I followed very closely.

General Roberts, I would like to turn to your testimony first, if I might.

GUARD AND RESERVE SHORTAGES

It always concerns us here when we hear the concerns that you enunciated very clearly with regard to the shortages in the Guard and the Reserves. I think your words were that they were 179,000 short in the IRR at the present time. Is that correct?

General ROBERTS. Yes; that is what the Army will tell you.

Senator EXON. Well, I assume you think that is generally accurate?

General ROBERTS. That is what they have said is the present shortage.

Senator EXON. Do you think it is more than that?

General ROBERTS. We think it is at least 300,000 more than that.

Senator EXON. Well, then, this gets us into the matter. I would like to have your reaction to this.

Since you know far more than I do about what we propose to do with these Reserve and Guard forces in the case of a national emergency—and please correct me if I am wrong—I have presumed that our first consideration was that should an attack be launched, say, by the Soviets at the NATO front, we would suffer such casualties that we would basically have to be raping our Army Reserve forces, both Reserve and National Guard, as replacements, and would therefore destroy them, basically, as a unit to carry out the missions that they are designed to carry out. I am sure that that is true.

I suspect that with the Air Force and the Navy, we do not anticipate the necessity to rob those units because we would not anticipate suffering the percentage of casualties to the total force as we would for ground Army forces. Is that correct?

General ROBERTS. There is no question about that. Your major casualties and major personnel requirements are in the Army components.

Senator EXON. Well, then, to follow up on that, I would think that this would be a very serious deterrent to morale, because I know that esprit de corps is very important in all of those units. Is it generally known, understood, or appreciated by these people that we have on training to carry out their mission as a unit, that they might see their unit disappear and they simply would be pulled out to fill in a gap somewhere?

General ROBERTS. Fortunately, Senator Exon, I do not believe this is widely known.

Certainly, the average enlisted man in the ranks I do not think is conscious of this. And it is a good thing that he is not. But the leadership certainly is.

This is why we have been concerned for some time.

Sonny Montgomery has introduced a bill, year after year, to provide for a draft of up to 200,000 young men per year for the individual reserve of the Army, which would go a long way, given 3 or 4 years, to correct this problem.

It is a very, very serious matter. In the first 30 days in the European scenario, in Europe, their combat service accord elements are desperately in need of reserves. You would have to have them over there very quickly. Guard and Reserve forces are absolutely critical. In the Rapid Deployment Force, 89 of those units are Army Reserve alone. These are all highly critical units, too.

EQUIPMENT AND PERSONNEL PROBLEMS

So, we have two problems today. One is equipment and the other is personnel. The heavy part of the personnel problem is in the individual reserve.

Senator EXON. Let me get into one other matter about which I am somewhat concerned.

You alluded to the fact that you were very much concerned about the failure to provide also for the Coast Guard.

General ROBERTS. Yes, sir.

Senator EXON. I think that is critically important.

We know that the Navy has been challenged, at least, to do more in helping other authorities to control illegal aliens, which you mentioned. However, something new has come up with regard to what could be done with our forces to stop or to intercept, at least, some of the large amount of illegal drugs which are coming into this country from a whole series of areas. Without indicating whether I think that is right or wrong, I will simply ask you a question.

Does the Coast Guard Reserve at this time play any part in either weekend assignments or with regard to special assignments to cooperate with and use Navy ships in this kind of activity, and does such an eventuality make any sense from the standpoint of doing a job in these two particular areas, and providing training at the same time?

General ROBERTS. Senator, the Coast Guard trains its Reserve very well. About 65 percent of the Selected Reserve is getting hands-on training at every training assembly.

During the summer months, four or five Coast Guard stations, of the search and rescue type primarily, are operated solely by Reserve personnel. The mission of the Coast Guard Reserve is heavily into port security. Port security is a vital concern to the country, and the Coast Guard has a responsibility whereby before you ship anything out of our ports, you have to make certain that nobody is planting mines in the harbor or otherwise is creating problems.

The difficulty with putting Coast Guard personnel on naval vessels for interception of contraband or of illegals has to do with the legality of it. This was discussed at a hearing recently.

So, I do not believe that this is an appropriate use of Coast Guard Reserve personnel, except in emergencies.

Now, during the Cuban invasion, let's say, there were Coast Guard people mobilized, but they were using Coast Guard vessels and not naval vessels.

Senator EXON. For the record, it was an invasion of illegal aliens and not of Cuban Armed Forces. Let us correct that for the record.

General ROBERTS. Yes, and that is said to be 1 million a year, incidentally, by the Justice Department.

Senator EXON. Then, I guess what you are saying is that you are not sure it would be a workable alternative, and, second, you have underlined the fact that you just do not have the personnel in the Coast Guard Reserve to do anything like that.

General ROBERTS. Well, they are very, very short. The administration is suggesting that it be even shorter, which does not make any sense at all.

Senator EXON. There are two things on which I would like to amplify a little bit. The first is with regard to the COLA adjustments for military retirees. The second is with regard to the GI bill. Let's go into that a little bit.

GI BILL

I have had a lot of experience with the GI bill and the benefits of recruitment with, especially, the National Guard that we used when I was Governor. We furnished State moneys to provide for educational benefits to those who would come into our Guard. We found it one of the most excellent recruitment tools and retention tools we have ever found in the Guard.

So, I recognize that some kind of GI bill would, no doubt, be of great benefit in improving this particular area. But when we talk about a GI bill, those of us who serve not only on this committee but also wear another hat in the Budget Committee, which is related—and sometimes I am not sure that you people should or do appreciate the great difficulties that we have over there—a GI bill has a good ring to it. This is because it was such a popular thing and did so much good after World War II.

Of course, the GI bill at that time was basically designed to reward those who had served their country after the fact, rather than before the fact. I am a little bit skeptical of the fact that everyone says we can solve our problems with a GI bill.

A GI bill to solve the total manpower problem would have to be very carefully thought out. One of the concerns that I have with a GI bill, as far as the active military is concerned, is, how in the world do you structure it so that you do not invite people to leave the service to take advantage of the educational opportunities rather than to stay in.

Now, maybe that can be handled. I just wish maybe we could get off a GI bill type of feature, just because it has a good ring to it, and say we are going to try to entice people to come into the military, at whatever level, and get them to stay in with some kind of educational benefits.

Have you weighed the cost of a so-called "GI bill" against what our needs are? It is possible that there might be other ways which could be just as successful, rather than relying on that thing which, I would agree, has been somewhat effective in the past?

One of the reasons that I have concerns about this is that to make a GI bill successful, we would have to so reduce the other available Federal funding in the programs to assist in higher education; otherwise, it would not work.

The administration has recommended drastic cuts in the present programs for financing nonmilitary people in higher education. It is my perception that all of those cuts are not going to be accepted by the Congress. So, when we talk about a GI bill, we should first recognize that we do not have exactly the same situation facing us today with regard to the cost of education that we had right after World War II. Second, how many programs, both social and military, can we afford to put on the back of the taxpayer to gain a worthy objective?

General ROBERTS. Well, Senator, I think we are dealing here with philosophy.

My own thinking on it is this: The GI bill, as proposed, is a recruiting and retention device. It is clearly not a reward for past service, as you so aptly put it.

Second, the reason they are proposing it is because they desperately want to make the volunteer concept work. That, basically, is the reason for it.

Right now, with unemployment rates hovering around 9 or 10 percent, and with a recession on, things look pretty good. But we all hope that about 2 years from now, or less than that, this figure will be reversed and they will be up against a real problem in getting personnel into the Army, in particular. This is also because the demographics are working against them. By 1985, they are going to have to recruit one person out of every three young men who are physically and mentally equipped to go into the Armed Forces. I don't believe they are going to get there.

There are a lot of people in the Pentagon who will privately tell you right now that we ought to go back to the draft. Well, that is politically unacceptable.

So, this GI bill is essentially a substitute for selective service.

Senator EXON. I am delighted to hear you say that, General, and I agree with you. I think that is one of the fatal flaws, if I might say so, in the present planning and programing. We don't have the guts to stand up and say we are going to have to have a draft to meet manpower needs, so we try to offset it with education.

General ROBERTS. That's right.

Senator EXON. I think it is a mistake, and I would just simply comment. Have we ever thought, rather than go to the expense of a GI bill, to just take that money and give it to the soldier and let him do with it what he wants? If he wants to save it and go on to higher education, fine. If he does not, also fine.

I guess I am not convinced that there is any magic about a GI bill. I am afraid that we have gotten caught up in our own rhetoric—that if we just go to a GI bill—it will solve all of our problems. I doubt if it will.

General ROBERTS. Well, most of the studies have indicated that young people are interested in education, and this is a powerful incentive to enlistment.

I think you mentioned the fact that in Nebraska, the Guard receives such treatment with obvious benefit. It is better than cash.

Senator EXON. I have just one last question. I fear I may have taken too much time, Mr. Chairman.

COST-OF-LIVING ADJUSTMENT (COLA)

I would just like to go into this matter of COLA retirement adjustments. I am not excluding the other two witnesses here. In fact, I believe the testimony that I have from Colonel Hennrikus says that if it is further determined that the military retirement system needs to be modified, then any change should be accomplished on the basis of all of the facts available and predicated on the national security requirements, and should not be driven by short-term budget considerations.

Let me say amen, I agree.

Now, let's go to COLA in a minute.

I believe, Captain Coleman, that you said that if we put on some kind of freeze, the Reserve Officers Association might back that so long as it is across the board.

Captain COLEMAN. Yes, sir.

Senator EXON. I am not sure that we are going to go to some kind of freeze. But I do feel, and I so voted on the Budget Committee last year, that we have to get a hold on some of the continually escalating costs, especially if those costs are compensating retirees over and above the legitimate cost of inflation. We certainly know that the CPI, I think we can agree on this, basically has benefited those drawing Federal pensions and those involved in the social security system. It has overly compensated them on inflation.

Would you have any objection to adjusting the COLA increases to the CPI or the wage/price index, whichever is lower? Does that bother any of you?

Colonel HENNRIKUS. Sir, it would not bother me. We would be very happy to follow the wage level of this country, of the working people of this country outside the Government. The thing is, this is another one of those nice to have things that probably would not work out that well, sir.

I have a chart here from CBO which shows that out of the last 33 years, the wage index was exceeded by the CPI for only 7 years. It is not that great a thing.

The Consumer Price Index was lower than the wage index for most of that period, for all but 7 years.

Senator EXON. Well, Colonel, maybe you did not hear what I said.

Colonel HENNRIKUS. You said CPI or wage?

Senator EXON. Whichever is lower.

Colonel HENNRIKUS. Oh, whichever is lower. That would be fine.

Senator EXON. Thank you.

Captain COLEMAN. I would agree with that. What we are concerned with is the inequality that has come about and how it would affect recruiting. The people coming into the Armed Forces will look at what was done to people in recent years and will wonder whether or not this was really a good thing for them. Also, you may have people who are already in who would stay in the service longer, but they will leave sooner because they see on the horizon a change taking place in the retirement system. We would be driving them out. That is the last thing we would want to do to our tranined people. We spent a lot of money to train them, so we certainly do not want to lose them prematurely.

Senator EXON. Do you generally now accept what I think you did not accept a year or two ago, that it is fair to have a once per year cost-of-living adjustment for military retirees rather than a twice per year increase?

General ROBERTS. We have no objection to that, Senator. I would point out that entitlement programs across the board, including social security, if somebody is going to suffer, then we all should take a little bit of a beating. I don't think it is fair to single out the military and say that we are going to cut you but leave somebody else alone.

Senator EXON. I would agree.

General ROBERTS. I think the average military person would agree. If everybody is going to tighten his belt, OK, but just don't pick me out to be the only belt tightener.

Senator EXON. I have one last observation, Mr. Chairman, and I do appreciate your patience.

When we talk about a GI bill, I would ask you experts to look at what a GI bill would do to Army recruitment. I, at least from some of the reading and studying that I have done, am convinced that since we know that our major recruiting need is in the Army area, as opposed to the other branches of the service, a GI bill, per se, might have the effect of making the Army efforts more difficult compared to those other branches which are now more successful.

I thank the Chair.

Senator JEPSEN. Thank you, Senator.

Gentlemen, thank you. I have some questions that I will submit to you for the record. In the interest of time, we must move on. Your testimony has been very refreshing and informative. Thank you very much.

Now I would ask Sergeant Major McKinney and Master Chief Thomas to come to the witness table.

While you are getting settled, I would admonish you, if you could, to summarize your testimony. I understand that Mr. McKinney has to be at the House to testify at 11:30. I don't know if that is accurate, but that is what I was told.

Sergeant Major MCKINNEY. That is close.

Senator JEPSEN. Mr. McKinney, at the outset I want to express my appreciation to you, your staff, and your fine organization for the tremendous support that you have provided us in our effort to pass our targeted pay bill. Needless to say, I fully agree with your statement where you say on the bottom of page 1 that Senate bill 1181 generated a new hope among our men and women in uniform, and it is essential that we continue that momentum of we shall find ourselves unable to meet the manpower challenges that lie ahead.

Who is the third witness at the table?

Master Chief THOMAS. This is our national executive director from our association, Senior Chief Buckley, USNR, retired.

Senator JEPSEN. Welcome to the subcommittee, Chief Buckley. Please proceed.

STATEMENT OF SGT. MAJ. C. A. (MACK) McKINNEY, USMC (RETIRED), SENIOR VICE PRESIDENT FOR GOVERNMENT AFFAIRS, THE NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Sergeant Major McKINNEY. Thank you, Mr. Chairman.

I would like to return the compliment by stating at this time that the splendid effort of this subcommittee certainly did much to raise the quality of life for our senior enlisted personnel, and the targeted pay increase not only helped in retention, but I think it improved the outlook of our senior enlisted personnel to a point where today we find a new point of dedication and determination on the part of those people who continue to do the job, complete their mission, and, most of all, to appreciate exactly what Congress has done for them.

NCO AND PETTY OFFICER SHORTAGE

In spite of what we have done in the past, Mr. Chairman, and particularly over the last couple of years, we still face a very, very distinct shortage in our NCO and petty officer grades.

In talking with the Navy yesterday, for example, it was my understanding that, although a couple of years ago they were about 20,000 short in qualified, skilled petty officers, today it is almost 23,000. This is because so many of them have left, and not just last year, but the year before, in 1980, even though we did provide an 11-percent increase in pay. When the targeted pay increase came about, that kept them in, and I think it did a great job. But as I indicated in my statement, we have to keep this momentum going, Mr. Chairman.

I also pointed out in my prepared statement the uniqueness of military life. We depend—and when I say "we," I mean the military—depend upon the administration and the Congress not only for our guidance, but for our well-being. We are the most complete socialized group of people in a democratic society, such as we have in the United States.

Only through the concerted efforts of a few legislators, and I count this subcommittee's membership among that group, have we tried during very difficult times to overcome what some people preceive as building a force that we do not need.

I disagree with them in this respect. When we look at weapons versus people, if we go back and take World War II as a history lesson, and perhaps Korea and the Vietnam war, we will find in the early World War II era that we trained with brooms, sticks, powder bags, with anything that looked like a simulated weapon. Nevertheless, those people were disciplined to work as a team.

When the weapons became available, they did a great job in taking hold of those weapons because the basic training and the basic knowledge was already given to them. In Korea, we depended greatly on our reservists, and those reservists were pretrained.

But, here again, as in World War II, the equipment those people had to use was outdated.

But, when they went to Korea, and many of the reservists did in just 90 days, they were able to take those weapons and do something with them.

In Vietnam, we had the option. We had plenty of weapons, but we did not have the people. Since we did not use our Reserve Forces, we brought in young people and drafted them. As a result, many of them were not prepared to go to war, and particularly fight in the environment that they had to face in Vietnam.

So, what I am basically saying is that I believe people are a lot more important than weapons. We need to keep the people coming in. We need to keep them trained and ready to go at any time.

The euphoria that we are undergoing at the current time may be short-lived unless we provide the people for the services to do the job.

One thing is for certain: We cannot draft NCO's and petty officers into the service. We can draft young people. But those people take time, and, according to the Joint Chiefs' posture statement, it will be 1990 before we have the sufficient number of NCO's and petty officers to do the job.

RETENTION OF FORCES

In the meanwhile, we must take a careful look at perception, Mr. Chairman, and any perception out there, right or wrong, affects the retention of our forces. As Major General Roberts alluded to earlier, unemployment is a major factor in the ability for us to recruit and retain our people today.

But, nevertheless, we cannot allow that to slip to a point where we lose the people.

I agree with your statement, Mr. Chairman, which you made the other day. We simply cannot afford to be inconsistent in our consideration of manpower sources. The painful result could be the boom or bust cycles of the past.

The Congress and the American people do, indeed, prefer an All-Volunteer Force, but they must be willing to provide the resources necessary to support them.

We quite agree with this and have prepared in our statement a list of resources and people programs which this committee deserves to endorse and support for fiscal year 1983.

Thank you very much, Mr. Chairman, for the opportunity to appear here. Again, a salute from our association for the fine job that was done last year.

[The prepared statement of Sergeant Major McKinney follows:]

PREPARED STATEMENT OF C. A. (MACK) MCKINNEY, SERGEANT MAJOR, USMC RET., SENIOR VICE PRESIDENT FOR GOVERNMENT AFFAIRS

Mr. Chairman. As the spokesman for the Non-Commissioned Officers Association of the USA (NCOA) I extend appreciation for the opportunity to comment today on the fiscal year 1983 Defense authorization bill, particularly that portion related to Manpower.

I am C. A. "Mack" McKinney, a retired Sergeant Major, United States Marine Corps, and the Senior Vice President for Government Affairs, NCOA.

I represent more than 250,000 noncommissioned and petty officers of the United States Armed Forces. Eighty-three percent are on active duty with the Army, Navy, Marine Corps, Air Force and Coast Guard. The remainder consists of reservists, national guardsmen, retirees and former members of the armed forces.

First of all, I wish to comment on the splendid effort of this subcommittee last year in recognizing the serious problem of pay compression in the NCO/Petty

Officer grades. Your commitment to address and correct this issue of major concern to a dedicated group of enlisted personnel did much to turn around the military's low retention rate and, symbolically, tell the men and women of our armed forces you are supporting them.

In my travels and contacts with NCOs and Petty Officers, it is apparent that the 1981 "targeted" pay increase gave them renewed hope that Congress is serious in improving the quality-of-life for military personnel. Retention rates for NCOs and Petty Officers are higher than ever in the history of this Nation. We are enjoying success but we must be cautious. Our armed forces are alarmingly short of qualified and skilled NCOs and Petty Officers. Only if we continue the current trend in retention will we possibly have the required number by 1990.

We must never forget that the military member is the most socialized person in the American community. He or she is almost totally dependent on the U.S. Government for compensation, housing, medical care, recreation, food, clothing, guidance and leadership. He or she is subject to more sacrifices, inconveniences prohibitions, risk, stringent employment rules, demands and blind obedience than any othe. U.S. citizen. And, we cannot forget that the serviceman or woman is the only member of our society that serves two masters—civil authority as well as military authority.

This then makes the military member unique in our democratic society. He or she is even more unique when one considers that the total commitment of a military member generates a thinking process much different from his or her civilian counterpart. Military training in the areas of conduct and discipline teach the service member to be dependent on superiors to provide for them at all times.

It is this belief, coupled with a nomadic life style, that has much to do with the involuntary reluctance of service members to be as civic-minded as their civilian counterparts. They are taught that they are subject to civilian control and, therefore, rely on civilian officials—particularly at the Defense and Congressional levels—to provide not only guidance but the necessities of life.

Over the years service members have begun to question this loyalty. Too often Defense has not been sympathetic and has targeted its efforts toward reducing costs in the areas of manpower and operations and maintenance. Both have had a disasterous affect on the military's capability to meet its military manpower goals. Needless to say, Congress has gone along hand-in-hand with Defense in its recommendations. It has been through the concerted efforts of only a few legislators that the military has endured.

The years 1980 and 1981 were banner years for the military community. There were a few issues that should have or have not been addressed, but for most military personnel the promise to improve their lot was a new sign of things to come. They believed there was a new commitment—a new hope—a new life.

As soon as the feeling of euphoria hit along came omens of things to come: Reductions in retired pay; a pay freeze or pay cap; loss of equitable per diem payments; loss of commissary subsidies; renewal of qualitative management programs; no unemployment compensation; splitting retired pay with divorced spouses; probable tuition costs for dependent children attending public schools; continuation of inadequate travel and transportation payments; inequitable housing assignments; possible social security offsets; no dental care program for dependents; no veterans preference for retirees when RIFs are made in governmental agencies; and on and on.

Some of their concerns are unfounded, some will be magnified. Nevertheless, the perception is there and for many perception is the same as truth. If it doesn't happen this year then it will the next. It is these perceptions—and the past history of what has occurred—that will in the future drive many qualified and skilled NCOs and Petty Officers out of the armed forces.

I can assure the members of this Subcommittee that compensation is not the only product that is an incentive to keep people in the military service. Currently, high unemployment in the civilian sector is a major factor. As long as that factor is prevalent, retention will remain high. Once it is removed and the civilian industry renews its search for well-trained military personnel, the armed forces will not retain them if their faith in Congress is broken.

On the other side of the coin, let's review the positive effect Congressional actions have had on NCOs and Petty Officers. Three years ago we were worried that the services were loaded with personnel whose mental capabilities were questionable. Senator Ernest Hollings alluded to the fact before this Subcommittee a few weeks ago. Regretably, the distinguished Senator has not taken time to review the troops since that period and is unaware that our armed forces are looking good. I can attest to this fact and assure the members of this body that our officers and NCOs and Petty Officers are performing as well as their earlier predecessors. They have done a remarkable job. It is nothiug short of a testimony of appreciation for what this Congress has done for them.

As long as Congress keeps faith with our NCOs and Petty Officers, they'll retain their faith in the system—the Commander-in-Chief and Congress. If the President and Congress lets them down, they are going to do exactly what was told to them a few years ago—"vote with your feet." I guarantee they will.

On March 11, 1982, the chairman of this subcommittee stated that: "We simply cannot afford to be inconsistent in our consideration of manpower sources. The painful result could be the 'boom or bust' cycles of the past. If the Congress and the American people do indeed prefer an all-volunteer force, they must be willing to provide the resources necessary to support it."

NCOA quite agrees and has prepared the following list of "resources" and people programs that this subcommittee is urged to endorse and support for fiscal year 1983;

(1) *Pay Hike.*—Provide an 8 percent increase in pay. Though federal employees are targeted for a 5 percent raise, that hike encompasses their total pay. For the military member, it affects only basic pay of which 25 percent may be redistributed by the President. To limit the military pay increase to the same percentage given federal employees is not fair to military personnel. If the 8 percent includes basic pay and allowances, consideration must be given to the unique requirements asked of our service members and the basic fact that military pay is still below that which we pay the federal employee force.

(2) *Retired Pay.*—Leave retired pay as it is. There are constant attacks on military retired pay and repeated attempts to equate that pay with federal employees' pensions and social security. There is no comparison. The unique nature of earning military retired pay is so different from other pension and annuity plans it must be handled carefully and with caution. Even threats of reducing retired pay or changing the system or dividing retired pay with a former spouse are sufficient to cause violent reactions in the career force.

(3) *Per Diem Equity.*—The authority already has been plainly set in current law. Career enlisted personnel cannot understand why the same Congress says "Okay" on one hand then turns-about and denies the appropriations.

(4) *Travel and Transportation.*—Military personnel ask only for an even break. The costs involved in PCS and TDY/TAD moves are borne partly by the service member. It is time for Congress to recognize the financial hardships it places on military personnel in this area. Mileage allowances should be increased to 16¢ per mile and household goods weight allowances should be more generous for senior enlisted personnel. Full funding of travel and moving expenses must be a primary target of this Congress.

(5) *Dental Care.*—With 55 percent of the military force having dependents—of which a large number are junior enlisted personnel—Congress must address the need for providing dental care for dependents. NCOA suggests that it be done at the earliest and be included as a part of CHAMPUS. However, NCOA does not recommend that Congress authorize the use of military-operated dental clinics for dependents if they are given the same priority of care as now offered military retirees.

(6) *Commissaries.*—Though many claim that health care is the second most important benefit provided service members, nothing generates as much concern as a threat to reduce or terminate commissary subsidies. NCOA recommends that Congress continue authorizing and funding this program. It is of vital importance to the well-being of the military community.

(7) *Special Pay.*—NCOA agrees with the majority of senior NCOs and Petty Officers that generous enlistment and reenlistment bonuses are not as effective as some claim them to be. A smaller bonus coupled with monthly special payments reduces attrition and insures that recipients do not spend all or most of the bonus in a relative short period and having nothing to bring home to the family for the next 2, 3, 4 or 6 years of enlistment. Special pays, spread over the term of enlistment, also require less funding and can offer support to the argument that not all military personnel, by virtue of their occupation specialty, should receive the same pay. Additionally, NCOA endorses special pay for recruiters, particularly for those who are assigned to areas where there are no military installations within reasonable commuting distance.

(8) *Training and Unit Cohesion.*—NCOA has for years recommended extension of service-wide training programs and the adoption of unit cohesiveness in the Army. It did so when others claimed they were unnecessary or wouldn't work. The Army has adopted both and they are proving successful. Though NCOA

does not suggest unit cohesion for all military services, it does urge Congress to support extensions of training programs throughout the services. In discussing current training periods with senior NCOs and Petty Officers of the Armed Forces, almost all are in agreement that more time is required to train today's recruits and trainees. This also applies to schools.

(9) *Drugs.*—In the past NCOA was a leading opponent of mandatory urinalysis testing. NCOA believed that the military services should practice what it preaches in promoting personnel to higher grades. However, placing trust and fidelity in some service members is not a deterent to drug usage or peddling dope to others. On advice from senior enlisted personnel, NCOA reverses its earlier position and urges Congress to inisist on the use of mandatory urinalyisis testing throughout the armed forces. As one senior enlisted Chief stated: "Cfficers and senior enlisted personnel should be the first in line—voluntarily." NCOA agrees.

(10) *Foreign Duty Pay.*—Reinstate full pay for eligible service members. Taking away this payment is considered another breach of faith by military personnel.

(11) *Access to Police Record Information.*—The military recruiter needs access to police records in obtaining information on prospective enlistees. It is vitally important for the services to know who they are bringing into their units. Granted, the military in many cases has been able to make over tens of thousands of potentially undisciplined youngsters, but it should know who it's dealing with and have the prerogative of whether or not it wants a potentially dangerous person within its ranks. Congress should give the services this choice by enacting appropriate legislation.

(12) *Education Assistance.*— NCOA was the leader in seeking a new education assistance program for the military. Through the good graces of Senator William Cohen, a member of this distinguished subcommittee, an initial plan was introduced in the beginning of the 79th Congress. NCOA believes such a program must be developed and approved early despite high enlistment rates. Should the economy turn itself around by the end of this year, recruiting will be tough. The availability of a new education assistance program may very well retain the momentum. However, NCOA yet is not convinced that education assistance is necessary to bring officers into the services or that it will be a retention tool for enlisted personnel beyond their second terms. The omission of these two factors will substantially reduce the costs of the program. For the current career force, NCOA recommends that Congress act early to extend the current delimiting date for use of the old GI bill.

(13) *Severance Payments for Enlisted Personnel.*—NCOA has recommended severance pay for enlisted personnel for many years. Congress has ignored the recommendation of the advice of Defense. However, NCOA is renewing its drive for these payments now that the services are once again employing quality controls on personnel. Retention rates are up, so many of the people that the services retained when they were needed will now be shown the door. Enlisted service members are the only government employees, including foreign nationals, that are not entitled to severance pay (except for disability). Commissioned officers may receive severance payments up to $30,000. Are they more entitled to such payment than enlisted personnel? NCOA believes not and, therefore, urges this Subcommittee to correct a long standing inequity that has no place in the Nation's defense personnel program.

(14) *Divers Pay.*—The recent tragedy at National Airport brought out the fact that military divers are doing the same work at wages far below their civilian counterparts. Though divers pay was delayed following tentative approval by Congress, such delays should not occur. Again, there is that perception we spoke of earlier in this statement.

In closing, I would like to echo the words of Air Force Secretary Verne Orr: "The most advanced weapon systems in the world are useless unless you have the people competent to operate and maintain them. . . . The key to our force improvement efforts is having adequate numbers of experienced, motivated people to man and maintain our systems."

Senator JEPSEN. Thank you very much.

Chief Thomas, please proceed.

STATEMENT OF MASTER CHIEF JOHN B. THOMAS, JR., USNR (RETIRED), NATIONAL LEGISLATIVE DIRECTOR, NAVAL ENLISTED RESERVE ASSOCIATION, ACCOMPANIED BY SENIOR CHIEF MICHAEL BUCKLEY, USNR (RETIRED), NATIONAL EXECUTIVE DIRECTOR, NAVAL RESERVE ENLISTED ASSOCIATION

Master Chief THOMAS. Mr. Chairman, members of the committee, I want to preface our formal statement with sincere appreciation on behalf of the Naval Enlisted Reserve Association and myself for the privilege afforded us today to appear before your subcommittee.

We also want to thank the committee for its dedication and determination to provide a strong defense for our country.

I in particular want to thank you for the money you gave me last year, for that pay raise.

We would like to summarize our statement and to submit our complete statement for the record.

Our purpose in appearing before this committee is to discuss the Naval Reserve manpower and compensation issues for 1983.

NAVAL RESERVE MANPOWER

In fiscal year 1981 and fiscal year 1982, our association recommended in budget hearings a realistic rate of growth to meet the wartime requirements validated by the Navy's manpower mobilization system. In fiscal year 1982. the Congress increased the Naval Reserve to 94,000 billets. In fiscal year 1983, NERA suggests that the Congress continue the gradual increase until NAMMOS requirements of approximately 121,000 are met. For fiscal year 1983, NERA proposes that the size of the Naval Reserve be increased to 100,750.

Mr. Chairman, although it is probably not within the purview of this committee, NERA recommends congressional direction to the Navy to increase the size and stablity of the recruiting force of the Naval Reserve. Currently, there are approximately 459 canvasser recruiters assigned to the Chief of Naval Reserve to recruit and sustain a selected Naval Reserve of 87,000. NERA proposes that the recruiting force be increased an additional 150 recruiters, to effectively recruit the right skill mix of the additional 7,000 billets in the current fiscal year.

Stability and security also must be considered for the canvasser recruiter. At the present time, a recruiter is recalled for 1 year and renewed each year at the discretion of the commanding officer, the readiness commander, and the Chief of Naval Reserve. NERA recommends that the recruiter contract be increased from 1 year to 3 or 4 years.

Mr. Chairman, Naval Reserve recruiters are professionals, but they are faced with pressures and threats of being fired or not continued. Stability and security must be assured to effectively do the job.

NERA also supports legislation or legislative action to provide for a Reserve flag officer, as previously testified before by NRA. We support their testimony.

Mr. Chairman, just recently, the Navy announced the policy for naval enlisted reservists of 30 years and out. With establishment of this current policy, a reservist would be forced into retirement at the probable age of under 50 years old. It is evident that there will not be any entitlements for these retirees until age 60. These highly skilled technicians must wait in limbo for approximately 10 years without any recognition of their continuous drills and performance of annual active duty for training for 30 years. The Naval Enlisted Reserve Association strongly recommends that either congressional direction be given to DOD or enactment of legislation to provide compensation in the form of commissary and exchange privileges for the retirees while awaiting retirement pay; or provide the retiree with retainer pay at an earlier age.

Addressing the subject of commissary privileges in the case of drilling reservists, it's of particular concern to many of the enlisted reservists. Currently, a reservist is permitted commissary while performing active duty for training. These privileges are very rarely used because reservists perform their active duty for training many miles from their home. NERA recommends that Congress authorize drilling naval reservists to utilize the commissary stores on a 1-for-1 basis for up to 14 years each year of annual active duty for training.

Another compensation issue is very dear to the heart of our organization because I think 20 years ago we proposed this legislation. One of the most important bills introduced concerning this compensation is S. 757 and H.R. 1492, medical coverage for reserves and guards. Many naval reservists are required to use any mode of transportation provided by any agency of the U.S. Government to reach drill sites, and are required to use the aforementioned transportation while under TAD no-cost orders to attend drills.

Reservists in transit are passengers and are not considered to be drilling while traveling, and therefore are not entitled to the benefits provided in title 10, United States Code.

In some locations, messing is not available at the drilling site. In this case, a reservist is not covered while traveling to or from a restaurant to have lunch. There are many horror stories concerning drilling reservists who were injured or crippled while en route and who are not entitled to health care or compensation.

The most recent was this past week. Many Air Force reservists were killed on the way back home. If they were injured or crippled, these reservists would not be entitled to medical coverage or to compensation.

In view of the foregoing, NERA strongly recommends that medical coverage be provided for the Reserve and Guard personnel traveling to and from drill sites.

We did a survey, and it is approximately a cost of $8 million to $10 million. This gross inequity in the law must be changed, whatever the cost.

On retirement, the Naval Enlisted Reserve Association supports the statements previously presented by the TROA, the NRA, and the ROA.

Mr. Chairman, this completes our statement. Again, we thank you for the opportunity to appear before your committee. We will be happy to address any questions you may have or to provide any additional information to you and your committee.

[The prepared statement of Master Chief Thomas follows:]

PREPARED STATEMENT OF MASTER CHIEF JOHN B. THOMAS, JR., USNR(RET), NATIONAL LEGISLATIVE DIRECTOR OF THE NAVAL ENLISTED RESERVE ASSOCIATION

Mr. Chairman, members of the committee: I preface my formal statement with sincere appreciation on behalf of the Naval Enlisted Reserve Association and myself for the privilege afforded us today to appear before your subcommittee. We also want to thank the committee for its dedication and determination to provide a strong defense for our country.

Our purpose in appearing before this committee is to discuss the Naval Reserve manpower and compensation issues for fiscal year 1983.

In prior fiscal years 1978 through 1981 the Congress stabilized the Selected Naval Reserve strength at 87,000 billets. In fiscal year 1982 budget hearings, the Naval Enlisted Reserve Association commented on the administration's plans to build a 600-ship navy over the next 5 years, a plan that our organization strongly supported. We also stated that a significant increase in Naval Reserve strength should be included to allow for augmentation in the event of mobilization, and it would be the most economical means of providing wartime assets. The Naval Enlisted Reserve Association recommended a realistic rate of growth to meet the wartime requirements validated by NAMMOS (Navy's Man Power Mobilization System). Congress increased the selected Naval Rereserve strength in fiscal year 1982 to 94,000 billets. Our organization suggests that Congress continue the gradual increase in the Naval Reserve strength until the NAMMOS requirements of approximately 121,000 are met. For fiscal year 1983 NERA proposes that the size of the Naval Reserve strength should be increased to 100,750. This will continue the realistic rate of growth recommended by our organization in fiscal year 1981 and fiscal year 1982. Mr. Chairman, although it is probably not within the purview of this committee, NERA recommends Congressional direction to the Navy to increase the size and stability of the recruiting force of the Naval Reserve. Currently there are approximately 459 canvasser recruiters assigned to the Chief of Naval Reserve to recruit and sustain a selected Naval Reserve of 87,000. NERA proposes that the recruiting force be increased an additional 150 recruiters, to effectively recruit the right skill mix of the additional 7,000 billets in the current fiscal year. Stability and security also must be considered for the canvasser recruiter. At the present time a recruiter is recalled for 1 year and renewed each year at the discretion of the commanding officer, readiness commander and the Chief of Naval Reserve. NERA recommends that the recruiter contract be increased from 1 year to 3 or 4 years. Mr. Chairman, Naval Reserve recruiters are professionals, but are faced with pressures and threats of being fired or not continued. Stability and security must be assured.

Mr. Chairman, NERA supports legislative action to provide for a Reserve flag officer, TAR or 265, to serve a 4-year assignment as Chief, Naval Reserve Forces. Additionally, two (2) deputy chief positions, one each for surface and air, should be established and filled by Reserve flag officers. The assignment of Reserve flag officers to the highest leadership positions in the Naval Reserve will provide the Naval Reserve Force with the maximum reserve expertise and understanding or Reserve management problems. The Staff/s of the Chief of Naval Reserve should consist of a minimum of 50 percent Reserve officers. Concurrent with establishment of an all-Reserve management team, authority should be granted to the Chief, Naval Reserve Forces to assume the budget program planning functions and the concurrent fiduciary responsibilities for expenditures for the Naval Reserve similar to that authorized for the other Reserve component chiefs.

All units of the Naval Reserve Forces should be placed under the operational control of CNRF during peacetime conditions except during periods of active duty for training sat would necessitate transfer to fleet commanders to accomplish training.

NERA recommends that the position of Chief, Naval Reserve Forces, be established in law and provided with the management authority and responsibility of all Naval Reserve activities, to include, but not be limited to, training, personnel, programs, budgets, policy, funds, force structure, plans and allocation of all monies appropriated by the Congress for the Naval Reserve. This position shall be filled by a Reserve officer with the grade of at least rear admiral and will serve for a period of 4 years. The appointment as CNRF will be made by the President, by and with the advise and consent of the Senate.

To assist the CNRF in executing his duties the positions of DCNRF, Air and DCNRF, Surface should also be established in law. NERA recommends that appointments be made from Naval Reserve rear admirals or commodores by the Secretary of the Navy and that they hold office for 4 years.

Mr. Chairman, the Navy recently announced policy for enlisted Naval Reservists of 30 years and out. With establishment of this current policy a Reservist would be forced into retirement at the probable age of under 50 years old. It is evident that there will not be any entitlements for these retirees until age 60. These highly skilled technicians must wait in limbo for approximately 10 years without any recognition of their continous drills and performance of annual active duty for training for 30 years. The Naval Enlisted Reserve Association strongly recommends that either Congressional direction be given to DOD or enactment of legislation to provide compensation in the form of commissary and exchange privileges for the retirees while awaiting retirement pay; or provide the retiree with retainer pay at an earlier age. Addressing the subject of commissary privileges in the case of drilling Reservists, is of particular concern of many of the enlisted Reservists. Currently a Reservist is permitted commissary privileges while performing active duty for training. These privileges are very rarely used because Reservists perform their ACDUTRA many miles from their home. NERA recommends that Congress authorize drilling Naval Reservists to utilize the commissary stores on a one-for-one basis for up to 14 days each year of annual active duty for training.

Mr. Chairman, there have been many actions initiated involving compensation of one form or another for Reserve and Guard personnel, very few of which have progressed beyond the initial stages fruition. One of the most important bills introduced concerning compensation is H.R. 1499 (Medical Converage for Reserves and Guard). Many Naval Reservists are required to use any mode of transportation provided by any agency of the U.S. Government to reach drill sites, and are required to use the aforementioned transportation while under TAD no-cost orders to attend drills. Reservists in transit as passengers are not considered to be drilling while travelling, therefore are not entitled to the benefits provided in Title 10, U.S. Code. In some locations, messing is not available at the drilling site. In this case a Reservist is not covered while traveling to or from a restaurant to have lunch. There are many horror cases concerning drilling Reservists who were injured or crippled, while enroute and not entitled to any health care or compensation. Mr. Chairman, NERA will provide case histories for the record if desired. In view of the foregoing, NERA strongly recommends that medical coverage be provided for Reserve and Guard personnel traveling to and from drill sites. Approximate cost of coverage is $8 to $10 million. This gross inequity in the law must be changed whatever the cost.

Mr. Chairman, this completes our statement. Again, we thank you for the opportunity to appear before your committee. We will be happy to address any questions you may have or to provide any additional information to you and to your committee.

Senator **Jepsen**. Thank you.

MEDICAL COVERAGE FOR TRAVEL

Chief Thomas, does the DOD support the passage of legislation to provide the medical coverage for reservist and Guard personnel who are unjured while traveling to and from work?

Master Chief **Thomas**. Yes sir. It was sent over there last year. Senator Jackson had S. 96, in a previous Congress, and they came back to Senator Nunn, who I believe was the chairman at the time, and they supported it then. I understand that they support it this year, too.

Senator **Jepsen**. Mr. McKinney, on page 6, you stated that the majority of the senior NCO's and petty officers believe that general enlistment and reenlistment bonuses are not as effective as some claim them to be.

We spend about $700 million a year on this. I am inclined to agree with you.

Would you want to elaborate on that a little bit?

Sergeant Major McKINNEY. Well, in talking with the senior NCO's and petty officers in the field, one of the things about which they are worried is not so much retention, but attrition which is involved with the bonus program. For example, they feel that giving a bonus on the front end, for example, does not really keep the individual committed for the full term of enlistment. If you give him all the money up front, he has a tendency to spend that money as quickly as possible. then, if he is on a 3, 4, or 6-year enlistment, there is nothing extra that is coming in. This is why we recommend that the bonuses be lowered on the front end and the special pay be provided throughout the enlistment.

Fifty-five percent of our forces, or in excess of 55 percent, are married today. I think that the income that would be derived from this special pay would be of great assistance to the family.

Senator JEPSEN. Well, we changed that on the front end last year for enlisted folks. Do you think we should restructure the program?

Sergeant Major McKINNEY. Well, this is what we recommend.

Senator JEPSEN. Or abolish it? The bonus program.

BONUS PROGRAM

Sergeant Major McKINNEY. I think we need a bonus up front, but not as much as we give them now.

I don't think we should give it to them all at one time. I think we should spread it over a time period. We just should not give it to them all at one time.

Senator JEPSEN. I thank you for your informative testimony. I will look forward to continuing to work with you. We are going to need all of the advice, counsel, and help that we can get so that we can start working on what we are going to do with the benefit and pay adjustments this year.

We look forward to any input at any time that you may wish to give.

Sergeant Major McKINNEY. Thank you. We can assure you that you will be getting it.

Senator JEPSEN. Thank you very much.

Our final witnesses will be General Guthrie and General Greenlief.

Gentlemen, welcome. Please proceed.

STATEMENT OF GEN. JOHN R. GUTHRIE, USA (RETIRED), ASSOCIATION OF THE UNITED STATES ARMY

General GUTHRIE. Thank you, Mr. Chairman. I, too, would like to submit my statement for the record and discuss briefly an oral statement, if I might.

Senator JEPSEN. Your full statement will be entered into the record, as if read.

General GUTHRIE. Thank you.

I am Gen. John R. Guthrie, U.S. Army, retired, of the Association of the United States Army.

The Association is grateful for the opportunity to be here this morning to make a special plea for those items in the Army portion of the Department of Defense fiscal year 1983 authorization request that would, *in our judgment, most contribute to the combat preparedness of the* individual soldier and so help to insure that our army is capable of meeting both the challenges of today and those of an uncertain future.

ARMY'S QUALITY OF LIFE

The Army's quality of life program has a direct impact on its ability to man the force and on force readiness in the near-term. This program addresses the Army's obligation to provide adequate housing. health care, education, facilities maintenance, safe and healthful working conditions wherever possible, and essential recreation activities that, in return, foster soldier preparedness and commitment to service.

A significant item in that quality of life program is the request for $1.2 billion for repair and maintenance of facilities.

General Kroesen, our commander in Europe, has recently testified that the backlog of maintenance in U.S. Army/Europe is still $1.37 billion. He has also added that your assistance in fiscal year 1982 sent a clear signal to his soldiers that we were going to do something about the problem.

He added, however, that the appalling living and working conditions that many of his soldiers must endure in Europe remain a vital concern to him and his commanders.

The facilities there did not deteriorate overnight, nor will they be corrected overnight. Only sustained funding through the 1980's can accomplish that.

Another quality of life item is family housing lease authorization for the Army in Europe. The fiscal year 1983 budget contains a request for about 18,500 family-housing lease authorizations and $77 million. We urge your full and continued support of both those efforts.

DENTAL CARE

A third quality of life item is dependent dental care. Surveys show that soldiers place dependent dental care high on their list of desired benefits. Private employers more and more are routinely including dependent dental care in some form or other in their employee benefit packages. The Department of Defense, on the contrary, is one of, if not the only, large scale employer in the United States which does not provide such a benefit.

While dependents overseas are provided dental care by the Army, the families of almost 60 percent of the Army stationed in the United States are excluded from this benefit.

The fiscal year 1983 budget request proposes a CHAMPUS dental plan that would provide dependents of active duty personnel with a minimum care package. We strongly urge your favorable action on this significant proposal.

EDUCATIONAL BENEFITS

The fourth item is the educational benefits program for service men and women, or, more commonly, the GI bill, which Senator Exon already has discussed at some length.

Since December 1976, except for a belatedly enacted veterans' educational assistance program, called VEAP, a contributory program, there has not been a Government-sponsored educational benefit associated with serving the country. Instead, we have had a program of generous grants and loans to college age youth. Many of the latter have been nothing but outright gifts because defaulted loans have simply been written off by a limp Government bureaucracy.

We are well aware of the rosy recruiting statistics currently enjoyed by the services, which have been referred to this morning. We are also aware of the generous pay raise this subcommittee helped provide to service members last fall, and the grim unemployment statistics in the country today, particularly among the young and unskilled. Undoubtedly, these two factors are having a major effect on recruiting and retention in the services. As a result, we think it prudent to be cautious about basing recruiting forecasts on present experience.

To us, the Department of Defense's recently announced decision to stick with the VEAP contributory program is, at best, shortsighted. In fact, it was Representative Bob Edgar who said it best at the House educational benefit hearings last week, when he said, "The time to fix a leaky roof is before the rain begins—when the sun is shining."

We agree. Now is the time to enact a GI bill.

This year, perhaps more than usual, members of the armed services may have cause for concern about diverse and uncoordinated changes in their overall compensation system. For example, we have noted a variety of proposals from individual members of the House and Senate which would either alter or delete appropriated fund support for the commissary and resale systems. Any reduction of that support would automatically result in an increase in store prices and a total withdrawal would destroy the value of the stores to service families stationed at home, and would place an even greater burden on those serving overseas.

We urge this committee's vigilance in this regard.

Last year, after 10 years of playing catch-up, thanks to the efforts of this committee and some others in the Congress, military pay regained comparability to that in the civilian sector. We urge you to continue your support of that principle. which already is being threatened.

Finally, sir, without overstepping my welcome here today, I could not describe all the current threats to the effectiveness of the military retirement system. Broadly speaking, however, we are concerned about the perceptions among our people serving in uniform of just how far their ultimate retirement benefits will be eroded, or how much they will miss the mark described to them by recruiters.

One of the most insidious of the current proposals would limit the adjustments to eventual retired pay to an amount equal to the change in the cost of living or the active duty pay increase, whichever is smaller. Thus, it is assured that retired pay would be increasingly unrelated to either active duty pay or to the cost of living each year, and this can only send an unsettling signal to servicemen and servicewomen on active duty.

Taken collectively, the several proposals represent what the Association of the United States Army has been warning against for more years than we care to remember—an effort to play with the compensation system in a piecemeal manner, without the proper investigation and evaluation of the overall impact on morale, recruiting, retention and readiness.

Mr. Chairman, we fully recognize that you and the members of your committee, collectively and individually, will be under great pressure in the coming months to cut defense spending.

Because they are largely expended in the budget year, people programs, such as these, are prime targets for reductions.

The association asks that you and the members of your subcommittee who speak on the floor for the men and women who serve in the armed services, defend these programs which are so important to the combat preparedness of our soldiers.

We appreciate this opportunity to be here and to express our views today.

Thank you for your attention.

[The prepared statement of General Guthrie follows:]

PREPARED STATEMENT OF GEN. JOHN R. GUTHRIE, USA (RETIRED), ASSOCIATION OF THE UNITED STATES ARMY

Mr. Chairman: I am General John R. Guthrie, USA Ret., of the Association of the United States Army. I am grateful for the opportunity to be here this morning to present the Association's views on some of the people issues in the fiscal year 1983 budget request of the Department of the Army.

We realize that all of you, collectively and individually, will be under considerable pressure to cut defense spending in the coming months. We also know that you speak on the floor of the Congress for the men and women who serve in our Armed Forces.

For these reasons, the Association of the United States Army is here today to make a special plea for those items in the Army portion of the DoD authorization request that would, in our judgment, most contribute to the combat preparedness of the individual soldier and so help to insure that our Army is capable of meeting both the challenges of today and those of an uncertain future.

The Army's Quality of Life (QOL) Program has a direct impact on its ability to man the force and on force readiness in the near-term. This program addresses the Army's obligation to provide adequate housing, health care, education, facilities maintenance, safe and healthful working conditions wherever possible, and essential recreation activities that, in return, foster soldier preparedness and commitment to service.

One significant item in the Army QOL Program is the request for $1.2 billion for repair and maintenance of facilities. For our Army in Europe, the backlog of maintenance, according to General Kroesen, is still $1.37 billion. He has testified that your assistance in fiscal year 1982 sent a clear signal to his soldiers you were going to do something about the problem. He added, however, in testimony just last month, that the appalling living and working conditions many of his soldiers must endure in Europe remain vital concerns to him and his commanders.

The importance to the soldier of adequate facilities, adequately maintained, was discussed by General Kroesen. "Soldiers who live in the barracks," said Kroesen, "and soldiers whose families do not have government furnished quarters, do not want to be in Germany. The more senior soldiers, noncommissioned officers and officers reveal a marked satisfaction, even enthusiasm, for their assignments, an enthusiasm that grows directly with the grade structure and their eligibility for housing."

The facilities there did not deteriorate overnight, nor will they be corrected overnight. Only sustained funding through the 1980s can accomplish that. We urge your full and continued support.

Another Quality of Life item is family housing lease authorization for the Army in Europe. More of such housing overseas will help to resolve shortages and reduce family separation time, a big factor in noncommissioned officer retention decisions. The fiscal year 1983 budget contains a request for about 18,500 family housing lease authorizations and $77 million. These funds would cover the cost of about 12,600 leased units which would be occupied by the end of fiscal year

1983. Authorization of the remaining leases would permit the Army to enter into build-to-lease negotiations in fiscal year 1983 and should provide the necessary additional units for occupancy in fiscal years 1984 and 1985.

Dependent Dental Care. Surveys show that soldiers place dependent dental care high on their desired benefits list. Private employers more and more are routinely including dependent dental care, in some form or other, in their employee benefits packages. The DOD, on the contrary, is the only large scale employer in the United States which does not provide such a benefit.

While dependents overseas are provided dental care by the Army, the almost sixty percent of the Army stationed in the United States is excluded from this benefit. The fiscal year 1983 budget request proposes a CHAMPUS dental plan that would provide dependents of active duty personnel with 100 percent of the cost of emergency care, x-rays, examinations and cleaning, and eighty percent of the cost for fillings and inlays, while stationed at home. We strongly urge your favorable action on this significant benefit proposal.

My next item has been of special interest to this Association and to many other similar organizations for over five years. It is called the educational benefits program for servicemen and women or, more commonly, the GI bill.

Since December 1976, except for a belatedly enacted Veterans' Education Assistance Program (VEAP) (a contributory program) there has not been a government sponsored educational benefit associated with serving the country. Instead, we have had a program of generous grants and loans to college age youth; many of the latter have been nothing but outright gifts because defaulted loans have simply been written off by a limp government bureaucracy.

I hasten to add at this point that my criticism of the government for failing to provide an education benefit tied to service in uniform is most certainly not directed at this committee, or the Congress for that matter. The Association is well aware of the several bills to provide an educational benefit introduced in the Senate during the 1st Session of this Congress. We testified in support of such a benefit before the Veterans' Affairs Committee last July and have been awaiting that Committee's report of action.

We are well aware of the rosy recruiting statistics currently enjoyed by the Services. We are also aware of the generous pay raise this subcommittee helped to provide service members last fall, and the grim unemployment statistics in the country today, particularly among the young and unskilled. We agree with one Congressman's assessment that these two factors probably are having a major effect on recruiting and retention in the services. As a result, we think it prudent to be cautious about basing recruiting forecasts on present experience. To us the DOD decision to stick with the VEAP contributory program is, at the very least, short sighted. In fact, it was Representative Bob Edgar who said it best, at House educational benefit hearings last week, when he said, "The time to fix a leaky roof is before the rain begins—when the sun is shining." We agree. Now is the time to enact a GI bill.

It would be an unusual year if the members of the armed services found no cause for concern about three major parts of the overall compensation system: the commissary and resale stores, the retirement system and the concept of maintaining military comparability with civilian pay. There is certainly nothing unusual about what they face this year.

We have noted a variety of proposals from individual members of the House and Senate which would either alter or totally delete appropriated support for the commissary and resale systems. Any reduction of that support automatically brings about an increase in store prices and a reduction of the service family's spendable income. A total withdrawal of support would destroy the value of the stores to service families stationed at home and place an even greater burden on those serving overseas. They would have to absorb the cost of transporting food and other necessities to an area where the cost of living is already very high. We urge this committee's vigilance in this regard.

Without overstepping my welcome here today, I could not describe all the current threats to the effectiveness of the military retirement system. Broadly speaking, we are concerned about the perceptions among our people serving in uniform of just how far their ultimate retirement benefit will miss the mark described to them by recruiters. One of the most insidious of the current proposals would limit the adjustments to eventual retired pay to an amount equal to the change in the cost of living or to the active duty pay increase, whichever is smaller. You realize, I am sure, that this means retirees will fall ever further behind the rising cost of living. Their predicament will send an unsettling signal to those still serving.

Last year, after 10 years of playing catch-up, military pay regained comparability to that in the civilian sector. We urge you ro continue your support of that principle.

Taken collectively, these proposals represent what the Association of the United States Army has been warning against for more years than we care to remember—an effort to play with the compensation system in a piecemeal manner, without the proper investigation into their overall impact on morale, recruiting, retention and readiness.

This completes my statement. Thank you for the opportunity to appear before you.

Senator JEPSEN. Thank you, General Guthrie. General Greenlief?

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF, NGUS, (RETIRED), EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General GREENLIEF. Thank you, Mr. Chairman, for this opportunity to present the views of the National Guard Association of the United States on the essential actions which need to be taken to improve the readiness of the Army and Air National Guard.

With your permission, Mr. Chairman, I would like to submit my full statement for the record, and I will present an 8-minute summary.

Senator JEPSEN. Your full statement will be entered in the record as if read.

General GREENLIEF. Thank you.

ARMY AND AIR NATIONAL GUARD

Mr. Chairman, the Army National Guard provides 46 percent of the combat structure of the U.S. Army, and a significant portion of the support units of the U.S. Army.

The Air National Guard provides provides 40 to 50 percent of the aircraft of the several Air Force commands and 70 percent of all of the combat communications capability of the Air Force.

The Army and the Air National Guard provide such a significant part of Army and Air Force war fighting capability that those services cannot expect to fight and win unless the National Guard can fight when, where, and at least as well as the regulars.

This morning, Mr. Chairman, specifically I will address personnel incentives, special pay for doctors, full-time unit support personnel, medical care legislation, and an Assistant Secretary of Defense for Reserve Affairs.

Regarding incentives, this subcommittee supported the legislation which authorizes enlistment and reenlistment bonus incentives for Guard and Reserve personnel.

You may remember that the first year of that incentive program was funded as a $5 million test. The fiscal year 1983 budget estimate for incentives for the Army National Guard is $51.7 million, and the Air National Guard budget estimate is $7.4 million.

As a result of the incentives you provided, the Army Guard is now, for the first time since 1975, back up over 400,000. It will probably exceed the fiscal year 1983 end strength of 417,000 during fiscal year 1982. The Air Guard is now almost 99,000, and will attain its fiscal year 1983 end strength of 101,781.

Because of disastrous shortages in the Individual Ready Reserve, it is essential that Army Guard and Army Reserve units be maintained at not less than 100 percent of full wartime strength.

We do not believe that these components can reach those increasing strength levels without additional incentives. We recommend that you amend the current authorization so as to make educational assistance an entitlement for all high school non-prior-service enlistees in the Army Guard and the Army Reserve who do not accept an enlistment bonus.

Next I will discuss special pay for doctors.

SPECIAL PAY FOR DOCTORS

There is one area of personnel shortage that is so severe and so vital to the combat capability that it must be mentioned in any discussion of readiness. That, sir, is the shortage of Army National Guard doctors.

The Army Guard is short 615 doctors. That is a shortage of 50 percent. Shortages in the Army Reserve are even more severe. If the active duty doctor incentives are fully effective, and if the Regular Army was at 100 percent of its doctors for the wartime requirement of the Army, the wartime level of the Army doctors would still only be 66 percent of the requirement.

We urge enactment of legislation which would authorize an accession bonus of $5,000 to each qualified physician who joins a Selected Reserve unit with a 3-year service commitment.

Next I will discuss full-time support personnel.

FULL-TIME SUPPORT PERSONNEL

It has been clearly demonstrated that there is a direct correlation between unit readiness and the number of full-time support personnel made available to units. The chart on page 5 of my statement demonstrates the Army and Air Force approved full-time support requirements, the number of personnel assigned and the shortages for fiscal year 1983.

Mr. Chairman, the bottom line is the shortage in the Army National Guard in fiscal year 1983 is 14,712. The shortage in the Air Guard is 2,434.

We strongly recommend a significant increase in the number of full-time support personnel as the quickest way of improving administration, training, maintenance and supply functions, and thus combat readiness.

MEDICAL CARE

Regarding medical care legislation, a package of medical care legislation, S. 757, S. 758, and S. 759, was introduced in the first session of this Congress. That legislation, which has already been addressed several times this morning, is essential to the health and well-being of all guardsmen and reservists. The medical care that would be authorized by this legislation is justified on the basis of what is right and equitable. Guardsmen and reservists ought to be provided medical care for the service which they perform for the United States.

Regarding an Assistant Secretary of Defense for Guard and Reserve Affairs, since Guard and Reserve forces provide over half the combat power of U.S. conventional war forces, we believe Guard and Reserve affairs should be the responsibility of a principal assistant to the Secretary of Defense.

Mr. Chairman, since the Guard and Reserve are required to fight when, where, and as well as the regulars, we insist that we be manned, trained, equipped and supported as well as the regulars.

In summary, Mr. Chairman, we urge that your committee recommend the expansion of the current Guard and Reserve educational assistance incentive, and that you recommend a significant increase in the number of full-time unit support personnel for the Army and Air National Guard.

In addition, we urge that you hold early hearings to consider special pay for doctors, medical care legislation, and legislation to create an Assistant Secretary of Defense for National Guard and Reserve Affairs.

Sir, we are deeply appreciative of the support this subcommittee always has provided for the National Guard. We pledge to produce the maximum combat readiness for the resources provided.

Thank you.

[The prepared statement of General Greenlief follows:]

PREPARED STATEMENT BY MAJ. GEN. FRANCIS S. GREENLIEF (RET.), EXECUTIVE VICE PRESIDENT OF THE NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

Mr. Chairman, and members of the subcommittee, I appreciate this opportunity to present the views of the National Guard of the United States on essential actions which need to be taken to improve the readiness of the Army and Air National Guard.

As you know, the National Guard is the only component of the Armed Forces which performs a dual role, i.e., Federal and State. On almost any given day of any year, National Guard units are performing emergency service in some State in the public protection role. This is possible because of the uniqueness of the National Guard as established by the Constitution and many subsequent enactments of the Congress, because of State support including financial support, and because of the training, equipment, and facilities provided by the Federal government to produce wartime units.

The Army National Guard provides 46 percent of the combat structure of the U.S. Army and a significant portion of the support units of the U.S. Army. The Air National Guard provides 40 to 50 percent of the aircraft of the several Air Force commands, and 70 percent of the combat communications capability of the Air Force.

The Army and Air National Guard provide such a significant part of Army and Air Force war fighting capability that those services cannot expect to fight and win unless the National Guard can fight when, where, and as well as the Regulars. Since the National Guard is expected to fight, when, where, and as well as the Regulars, we insist that we be manned, trained, equipped and supported as well as the Regulars.

Until 2 years ago, our Association was given an opportunity to testify before only your subcommittee and the Subcommittee on Military Construction. Under those circumstances, we presented to your subcommittee what amounted to a posture statement—an overview of the entire National Guard program. Now that we have the opportunity to present statements to all of the appropriate subcommittees, and for the last two years to the full House Committee an Armed Services, I will address today only those items of specific concern to your subcommittee,

Specifically, I will address: Personnel incentives; special pay for doctors; full-time unit support personnel; medical care ~~legislation~~; and an Assistant Secretary of Defense for Reserve Affairs.

INCENTIVES

This subcommittee supported the legislation which authorizes enlistment and reenlistment incentives for Guard and Reserve personnel. The first year of the incentive program was funded as a $5 million test. The fiscal year 1983 budget estime for incentives for the ARNG is $51.7 million and the AGN budget estimate is $7.4 million.

As the result of the incentives you provided, the ARNG is now over 400,000 and will probably exceed the fiscal year 1983 end strength of 417,000 during fiscal year 1982. The ANG is now almost 99,000 and will attain its fiscal year 1983 end strength of 101,781.

However, the personnel strength requirement continues to grow. For example, the required end strength of the ARGN is already established as 448,000 for end fiscal year 1984.

You will recall that for fiscal year 1981, you supported the doubling of the educational assistance incentive from a maximum of $2,000 to $4,000. Lieutenant General Max Thurman, Deputy Chief of Staff Personnel, U.S. Army, has testified that your action increased the number of ARGN accessions under this program from 500 to 6,000 in 1 year.

Because of disastrous shortages in the Individual Ready Reserve, it is essential that ARNG and USAR units be maintained at not less than full wartime strength.

We do not believe that these components can reach those increasing strength levels without additional incentives. As you know, educational assistance is currently authorized for selected personnel only. We recommend that you amend the current authorization so as to make educational assistance an entitlement for all high school non-prior service enlistees in the ARGN and the USAR. This entitlement should be offered for two years, fiscal year 1983 and 1984, with residual payments to extend until fiscal year 1986. This 2 year test could determine the value of the expanded incentive.

SPECIAL PAY FOR DOCTORS

There is one area of personnel shortage that is so severe and so vital to combat capability that it must be mentioned in any discussion of readiness. That shortage is the ARNG doctor shortage.

ARNG medical units, which are required by the Army in combat, need 1,235 doctors to provide medical service to soldiers. The ARNG has 620 doctors assigned. Thus, the shortage is 615, a shortage of 50 percent. Shortages in the Army Reserve are even more severe. If the active duty doctor incentives are fully effective, and if the Regular Army was at 100 percent of its wartime requirement, the wartime Army would have available only 66 percent of its requirement. In combat many soldier lives would be lost for lack of medical care—many wounded and sick soldiers who could be returned to duty with adequate medical care would be lost to the Army.

Although the doctor shortage in the ANG and the Air Force Reserve is not as severe as in the ARNG and USAR, it is a serious shortage.

We urge enactment of legislation which would authorize an accession bonus of $5,000 to each qualified physician who joins a Selected Reserve unit with a 3-year service agreement. For each training period attended the physician would receive a $25 bonus and would receive a $1,500 bonus at the completion of each satisfactory year. Lesser payments would be offered doctors who joined the IRR.

FULL-TIME SUPPORT PERSONNEL

It has been clearly demonstrated that there is a direct correlation between unit readiness and the number of full-time support (FTS) personnel made available to units. FTS personnel perform day-to-day functions, which they will continue to perform after mobilization. They perform administrative, training, maintenance and supply functions which must be performed if units and nonfulltime personnel are to be able to train effectively.

FTS personnel are provided by two separate personnel systems.

One system is the National Guard military technician system. These personnel are Federal Civil Service employees for the purposes of pay and benefits, but are managed under a unique system established by the National Guard Technician Act of 1968. All but a very few of these technicians are required to be members of the units which they serve. The technicians themselves provide an outstanding service .The maintenance technicians perform superb maintenance. But the system is less effective than it could be because of the interference of military technician unions.

The second system is the Active Guard and Reserve (AGR) system. In this system, the personnel serve on full-time military duty under title 32 (State control) in their units. This system which was instituted by the Congress is working well and provides an opportunity for program growth because there is no ceiling imposed by law as is the case in the National Guard military technician program.

The following chart demonstrates the Army and Air Force approved FTS requirements, the number of personnel assigned and the shortages for fiscal year 1983:

	ARNG	ANG
NG technicians	22, 367	21, 246
HGR	14, 419	4, 893
Total FTS assigned	36, 786	26, 139
FTS requirement	51, 498	28, 573
Percent manned	71	91. 5
Shortage	14, 712	2, 434

We strongly recommend a significant increase in the number of FTS personnel as the quickest way of improving administration, training, maintenance, and supply functions.

MEDICAL CARE LEGISLATION

A package of medical care legislation was introduced in the first session of this Congress which is essential to the health and well being of all Guardsmen and Reservists. The medical care which would be authorized by this legislative package is justified on the basis of what is right and equitable. Guardsmen and Reservists ought to be provided medical care for the service which they perform for the United States.

H.R. 1491 and S. 759 would provide the same benefits for members of the National Guard and Reserve who are injured en route to or from inactive duty training as are now provided for injuries during inactive duty training. These include medical care and hospitalization, pay and allowances while incapacitated, and physical disability retirement. The only reason Guardsmen and Reservists perform the travel involved is to perform military training; therefore, they should be provided medical care for injury incurred during that travel.

H.R. 1493 and S. 757 would provide the same benefits for members of the Guard and Reserve who contact a disease or become ill while performing inactive duty training as they now receive for disease while on full-time training duty for 30 days or less. These include medical care and pay and allowances while hospitalized for not more than 6 months. Currently, if a Guardsmen or Reservist gets salmonella or food poisoning from a meal he is served at a unit kitchen during a weekend drill, he is not entitled to medical care because he is sick rather than injured. We believe a member of the Guard or Reserve who requires medical care because of inactive duty training activities is entitled to medical care whether he is sick or injured.

H.R. 1492 and S. 758 would authorize medical care for dependents (CHAMPUS) for survivors of Guard and Reserve members whose deaths entitled them to payment of a death gratuity. Under current law, only deaths while on duty for over 30 days entitle dependents to CHAMPUS. Death gratuities are payable if the member dies while on full-time duty for any period of time, or while traveling to or from that duty, or while performing inactive duty training, or as a result of injury incurred while traveling to or from inactive duty training. In paying a death gratuity, the government recognizes that the death was service connected and should therefore provide CHAMPUS benefits to the survivors.

ASSISTANT SECRETARY OF DEFENSE FOR NATIONAL GUARD AND RESERVE AFFAIRS

The former position of Assistant Secretary of Defense for Manpower and Reserve Affairs was a full-time job for even the most efficient and effective man or woman. When the function of logistics was added to the position, it became more than the most effective man or woman could handle.

Since Guard and Resrve forces provide over half the combat power of U.S. conventional war forces, we believe Guard and Reserve affairs should be the responsibility of a principal assistant to the Secretary of Defense. We urge the enactment of legislation which would establish a new position of Assistant Secretary of Defense for National Guard and Reserve Affairs.

SUMMARY

Mr. Chairman, since the Guard and Reserve are required to fight when, where, and as well as the Regulars, we insist that we be manned, trained, equipped and supported as well as the Regulars. In our view, support includes legislation to make service in the Guard and Reserve a more satisfying and rewarding experience. Only then can we produce the quality and quantity of manpower required by our wartime missions.

In summary:

We urge that your subcommittee recommend the expansion of the current Guard and Reserve educational assistance incentive, and that you recommend a significant increase in the number of full-time unit support personnel for the Army and Air National Guard.

In addition, we urge that you hold early hearings to consider "Special Pay for Doctors," "Medical Care Legislation," and legislation to create an Assistant Secretary of Defense for National Guard and Reserve Affairs.

We are deeply appreciative of the support this subcommittee has always provided for the National Guard, and we pledge to produce the maximum readiness for the resources provided.

Senator JEPSEN. Thank you, General.

BONUS FOR DOCTORS

As indicated just a little while ago, I think we have become very bonus oriented in the military. You have recommended a $5,000 bonus for doctors to join the Reserve. Has your organization considered the other alternatives, or do you believe that if this bonus route were attempted, $5,000 would be adequate?

General GREENLIEF. Sir, we assembled a panel of National Guard doctors, both Army and Air. They are all doctors of considerable experience in civilian life. They are older doctors who have been in the profession for a long time. They believe that this incentive would be very, very helpful. It cannot be expected to attract a doctor who already has been in practice for a long time. The sum of $5,000 in such an instance would be meaningless. But they tell me that it would be very, very meaningful to the young doctor who is just coming out of school, just in his internship, when he still owes for much of his college education.

We think doctors are absolutely essential for an Army that expects to fight.

Senator JEPSEN. I agree.

I am going to have to leave to vote very shortly.

General Guthrie, just let me say this.

LIVING CONDITIONS IN EUROPE AND KOREA

Based on my trip to Germany last year, I agree with you that living and working conditions for our service members in Europe are in desperate need of maintenance and repair. I understand that the conditions in Korea are even worse.

Do you know anything about that?

General GUTHRIE. Sir, I personally served in Korea twice and have had three tours in Japan. So, my personal knowledge is much greater about the conditions in Korea than about those in Europe. The conditions there were allowed to deteriorate over a longer period of time, I think, and from a much lesser base. But there is a good program ongoing in Korea now to improve those facilities.

As I recall, I think there is something on the order of about $75 million in the program, for military construction and so on. I believe this is something which we also need to address.

We happened to choose Europe because of the large size and the fact that we are talking here basically of the O. & M. account.

Senator JEPSEN. I thank you both for your testimony and your time.

Again, I repeat, we need all the counsel and the input that we can get. We look forward to it and welcome it. We look forward to working with you as we move on.

Thank you very much for coming here today.

This meeting is now adjourned.

[Whereupon, at 11:50 a.m., the subcommittee adjourned, to reconvene upon the call of the Chair.]

INDEX

A

	Page
Active Army:	
End strength	1765
Recruiting objectives	1755
Recruiting resources	1722
Retention program	1724
Active duty:	
Manpower	1500
Support personnel	1666
Active force	1570
Advertising	1584
Costs	1600
End strength increase	1914
Air attack	1671
Air Force:	
Civilian manpower	1893
Effect on if pay were not increased	1901
Expanding size of force	1902
Manpower request	1851
Manpower requirement, 1983	1889
Structure growth	1443, 1475
Air Force Reserve	1923, 1927
Force structure, flying units	1887
Mission support units	1888
O. & M.	1882
Personnel	1887
Air Guard units perform similar missions to Air Force units	1912
Air National Guard:	
Manpower	1880
Overview	1877
Posture	1878
Program goals	1877
Realistic training	1870
Air wing, increasing the	1443
Aircraft, fighter	1671
Airline pilot hiring versus pilot loss rate	1859
Alcohol and drug abuse	1729
All-Volunteer Force	1818
A failure	1484
Deficiencies in	1561
Making it work	1570
Allies, serious problem with	1694
American youth study, profile of	1595, 1842, 1847
Americans overseas	1826
Ammunition, simulation and training	1581
Armed Forces qualification, AFQT categories	1571
Army:	
Civilians	1754
Cohesion and stability	1747
Competency based	1746
Divisions	1453
Improves quality	1558
Manpower request	1715
Mobilization	1750
Officer accession program	1726
Professional, un-American	1488
Selected Reserve unit strength	1722

Page

- Army and Air National Guard, 1966
- Army National Guard accessions, 1723
- Army National Guard and Army Reserves, 1752
- Army Reserve, 1474, 1480, 1780, 1925
  - Accessions, 1723
  - Enlistments, 1792
  - Equipment status, 1803
  - Full-time manning personnel, 1800
  - Health professionals, recruiting, 1796
  - Strength, 1921
  - Technicians, 1799
  - Troop program, 1789
  - Units as percent of total Army structure, 1783
- Attrition, 1589
  - Enlisted, 1586
  - Management program, 1664
  - Rate, 1559
    - Over 3-year period, Army, 1757
- Aviation bonus program, 1695
- Aviation replacement squadrons, 1700
- Aviation support, 1776
- AWOL and desertion, 1590, 1688

B

- Battleships, World War II, 1438
- Billets overseas, accompanied, 1713
- Bonus and education benefits, 1840
- Bonuses, 1556, 1682, 1951
- Brigades, roundout, 1472
- Budget, freezing the, 1490

C

- C³ I, 1579
- Capstone, 1829
- Career force, enlisted, 1599
- Caribbean:
  - Command at Key West, 1439
  - Command, unified, 1440
  - Naval force in, 1478
- Central America:
  - Events in, 1477
  - U.S. troops in, 1478
- Chow houses, 1895
- Civilian(s):
  - Addition of, 1907
  - End strength request, 1624
  - Engineer shortage, 1872
  - For new and expanded programs, 1837
  - Manpower, 1541
    - and management, 1730
    - Changes, 1640
  - Personnel, 1618
  - Personnel management, 1641
  - Personnel management, Air Force, 1872
  - Strength, 1836
  - Workforce, DOD, 1542
- Coast Guard Reserve, 1923, 1928
- Combat:
  - Arms enlistment, Army, 1758
  - Capability, increasing, 1891
  - Food services, 1893
- Compensation, 1841
  - For specific skills, 1847
- Congress, support requested from, 1547
- Constructive credit, impact of limitation, 1911
- Contracting of readiness, impact, 1700

Page

Contracting out 1894
    Affect on Air Force readiness 1906
    Savings by 1906
Conventional force, credible 1457
Cost-of-living adjustment (COLA) 1950
Critical shortage skills 1908
Critical skill shortages, enlisted 1484

D

Defense:
    Guidelines 1451
    Manpower trends 1408
    Planning process 1444
    Support of 1821
Dental care 1962
Dependents accompanying spouses 1441
Dependent overseas 1583, 1696
Discipline:
    Loss of 1487
    Military 1590
Draft:
    America needs the 1482
    Boards, military retirees prohibited from serving on 1584
    Conscription and the 1435
    Equitable for all 1493
    Point and counterpoint 1563
    Return to the 1676
    Universal, no exceptions 1488
    Will not correct problems 1562
Drill attendance reporting 1801
Drug abuse 1587
    Legislation to reduce 1702
    Navy's 10-point program to counter 1704
Drug and alcohol abuse 1766, 1871
Drug problem 1610, 1676
Doctors:
    Bonus for 1971
    Special pay for 1967, 1969

E

Education:
    As incentive 1820
    Assistance 1870
    Incentive program 1580
Educational:
    Benefits 1962
    Benefits test 1588
    Incentives 1514, 1602, 1744
Eligibility to enlist 1848
End strength 1622
    Flexibility to exceed 1916
    Increase 1708
    Increase in fiscal years 1983–84 1913
Enlisted:
    Career force 1515
    End strength trend 1623
    Force, need to increase 1620
Enlistees:
    Quality of 1495
    Study of ineligible 1840
Enlistment:
    Eligibility 1844
    Length of 1581
    Standards over past years 1592
Entry pool, shortfall in 1702
Equipment and personnel problems 1947

Page

Equipment shortages 1682, 1781, 1824
Europe, personnel in 1476
Europe and Korea, living conditions 1971

F

Facilities, equipping with real property 1804
Family separation allowance, increases 1917, 1918
Female accessions 1598
Flag and general officer management problems 1555
Flying hour trend 1582
Force:
  Equipping 1774, 1802
  Manning the 1772, 1788
  Mobilizing the 1779, 1810
  Modernization 1428
  Organizing the 1772, 1784
  Projection 1425
  Readiness, programs to improve 1806
  Structure 1432, 1888
    Planning 1415
    Requirements 1475
  Training the 1776, 1805
Freedom of Information Act 1910

G

Gear, sophisticated 1492
General officer issues 1872
GI bill 1588, 1589, 1602, 1708, 1820, 1822, 1831, 1841, 1924, 1930, 1948
  Force projection 1462
  Responsibilities 1826
Guard and Reserve shortages 1946

H

Health care personnel 1930
Helicopters 1670
High school lists, obtaining 1685
High schools, access to 1584
High technology division 1472
Homeporting for new ships 1441
Host nation support 1410

I

Incentives 1969
Indiscipline indicators 1843
Individual Ready Reserve (IRR) 1662, 1665, 1834, 1842, 1921
  Strength 1595, 1794
    Increases in 1793
  Reenlistment bonus for 1847
  Shortage of 1603, 1847
Individual mobilization augmentee program 1796
Individuals, assigning to their specialty 1814
Industrial base 1428
Infantry division, 2d 1473
Interagency task force 1431
Intermediate nuclear forces (INF) 1425

J

Joint program assessment memorandum 1450
Joint structure planning document 1448
Joint training exercises 1777
JSPD document 1463

K

Key West, Naval Air Station, reopening 1478
Korea, U.S. troops in 1477, 1826

L

Page

- Labor savings 1474
- Land forces, conventional 1476
- Life, quality of 1529, 1591, 1689, 1767
  - Air Force 1869
  - Army 1962
  - Funding status of 1768
  - Marine Corps 1649
- Loan repayment program 1821
- Long-war strategy 1462

M

- M-1 tank, high quality individual 1554
- Management 1672
  - Improvement initiatives 1874
  - Information support 1638
- Manning 1721
  - A larger Navy 1701
  - Full time 1799
  - Imbalances 1839
  - Levels, USAR/ARNG 1840
- Manpower 1407
  - Air Force 1852
- Manpower by Defense, active duty 1408
  - By forward location 1409
  - Civilian 1418
  - Costs 1654
  - Deployment, military 1595
  - Goals, military 1496
  - Military 1416
  - Military active 1548
  - Most difficult problem 1483
  - Pay 1469
  - Problem 1441
  - Problems, overcoming military 1554
  - Request, Defense 1481
  - Resource, Air Force 1862
  - Shortages 1844, 1845
  - Training 1433
- Manpower and personnel 1608
- Marine housing 1697
- Marine Corps:
  - Active force 1644
  - Active military manpower requirements 1645
  - Civilian manpower requirements 1648
  - Dependents overseas 1700
  - Dependents overseas (Japan and Okinawa) 1472, 1477
  - Enlisted recruiting performance 1613
  - Healthy 1643
  - Retention 1652
- Marine Corps Reserve 1646, 1673, 1923, 1927
  - Manpower requirements 1647
- Maritime superiority 1442
- Materiel readiness 1667
- Medical care 1967, 1970
- Medical coverage for travel 1960
- Mental categories by race 1688
- Military:
  - Compensation 1532
  - Decline in 1561
  - Personnel and force management 1499
  - Personnel management, Air Force 1864
  - Reform caucus 1817
  - Retirement 1602, 1603
  - Training student loads 1550
- Military/civilian pay gap 1823

Page

- Minority composition of Armed Forces 1498
- Minuteman III 1471
- Mobilization 1671
  - Army 1739
  - Requirements 1432
- Modernization 1669
- Morale, change in 1899
- Morale higher 1562
- MOS, short skilled 1815
- MX more capable than Titan 1437

N

- National security police and objectives 1445
- National Guard and Reserve recruiting 1760
- National Guard combat ready and deployable 1819
- NATO:
  - Competitors 1819
  - Defense spending 1476
  - In Southeast Asia 1476
- Navy:
  - 600-ship 1706
  - Civilian end strength 1640
  - Enlisted recruiting 1626
  - Size of 1710
  - Strength increases in 1983 1710
- Navy/Marine Corps manpower request 1607
- Naval and Marine Corps Reserves 1616
- Naval Reserve 1680, 1922, 1925
  - Appropriations 1659
  - Current status 1655
  - Forces, chief 1935, 1941
  - Issues 1639
  - Major commissioned units 1658
  - Manpower 1957
  - Request, 1983 1656
  - Strength 1933, 1938
  - Structure 1416
- NCO and petty officer shortage 1952
- NCO's mess in the enlisted mess hall 1915

O

- O&MMCR 1674, 1675
- Officer:
  - Accession and retention 1524
  - Continuation rates, Air Force 1866
  - End strength trend 1622
  - Program attainment 1626
  - Program attainment/goal status 1613
  - Retention 1628
    - Air Force 1857
    - Unrestricted 1614
  - Shortages, Air Force 1866
- Outlook for the future, Air Force 1856
- Overview, recruiting, retention, and compensation, Air Force 1855

P

- PCS, increased cost of 1896
- Pay:
  - Active forces 1595
  - Adjustment mechanism, military 1580, 1898
  - Incentive 1609
  - Portion of Defense budget allocated to active duty 1492, 1493
- Pay cap impact on Air National Guard 1900

Page
Pay raise 1743
  Military, for 1982 1601, 1683, 1707, 1898
Personnel 1438
  Air Force 1853
  Available for combat 1839
  Development programs 1634
  Increase sought 1458
  Management policies 1837
  Needed to maintain desired strength 1440
  Quality improvement in combat arms 1759
  Readiness 1588, 1625, 1662
Persian Gulf area, ground forces in 1479
Petty officer:
  Promotions 1701
  Shortfall 1679, 1706
Physical standards, easing 1816
Pilots:
  Cost to train 1897
  Furloughed 1698
  Training for 1896
Portal-to-portal coverage 1929, 1944
Pretrained individual manpower 1537
Promotion policies 1838

Q

Quarters reimbursement during ship's overhaul 1711

R

Rapid Deployment Force 1459, 1479
  In foreign countries 1480
Rapid runway repair 1892
Ratings, overmanned and undermanned, number of 1903
Readiness:
  Problem 1679
  Programs 1428
Recall programs 1834
Recruit(s):
  A cut above average 1687
  Quality, level of 1848
  Reading ability 1591
  Recruiting high quality 1823
  Representativeness of 1591
  Scores higher, AFQT 1557
  Training course length 1587
Recruiting 1502, 1653
  Air Force 1865
  Army 1754
  Budget 1583
  Goal, prior service 1894
  Outlook 1590
  Quality, Air Force 1855
  Results, 1982 1705
Recruiting and retention:
  Air Force 1852
  Unparalleled 1495
Reenlistment 1849
  Air Force 1857, 1858, 1867
  Bonus, potency of 1712
  Bonus program 1620
  Figures 1843
  Increased 1604
  Rates, active duty 1566
  Standards 1832

Page

Reserve(s) 1610
  Benefits/retirement 1941
  Component personnel strengths 1919
  Component retention program 1725
  Enlistment incentives 1846
  Force 1576
  Forces manpower 1534
  Military Training Act 1711
  Mission of 1681
Reserve and Guard 1861
  Equipment 1555
Reserve Officer Personnel Management Act (ROPMA) 1911, 1944
Reserve Officer's Training Corps (ROTC) 1587, 1762
  Enrollments 1588
  Scholarships 1831
Retention:
  Force alinement 1762
  Concerns, future, Air Force 1858
  Increase in 1470
  Needed, improved 1496
  Of forces 1953
  Rates up 1833
  Turnaround, reasons for 1860
Retired pay adjustments 1936
Retirement 1868, 1930
  System 1931
    Air Force 1854
Risk force, minimum 1467

S

Safety investigation reports 1909
Sea and sub pay improvements, impact of 1706
Secretaries of Defense, Assistant 1578
Selected Marine Corps Reserve 1661
Selected Reserve:
  Accounting 1934, 1940
  Incentive program 1790
  Forces 1743
  Strength 1534
Service:
  Nations with compulsory 1489
  Personnel, prior 1711
  Universal 1486
Shortfall measurement 1447
Skilled Enlisted Reserve Military Training Act 1605
Skilled personnel, shortages of 1703
Skilled technicians join Air Force 1905
Skills with constrained reenlistments, Air Force 1903
Soviet military advancements—threat/strategy 1420
Soviets, assessment of 1455
Strategic:
  Force 1460
  Programs 1427
Strategy:
  Optimum 1445
  U.S. military 1421
Student loan programs 1683, 1687
  Forgiveness 1585
Supplemental, fiscal year 1982 1673
Support personnel:
  Full-time 1967, 1969
  To improve unit readiness 1798

T

Page
Tactical air forces ... 1407
Tactical forces ... 1423
Technician positions, converting to full-time military ... 1593
Threat to U.S. shipping in the south ... 1478
Titan missile ... 1470
Training ... 1520, 1653
    Army ... 1733
    Readiness ... 1666
    Program of the services ... 1828
    Programs attractive to new recruits ... 1807
Training and education ... 1632
Transient account ... 1709
Tuition charges for military dependents ... 1604

U

USAR technician conversion ... 1800
USAR/ARNG manning levels ... 1825
Ultra-VEAP ... 1845, 1846
Uncertainty, effect of ... 1461
Undergraduate flying training ... 1870
Uniform, men in ... 1491
Uniform Services Pay Act of 1981 ... 1498
Unit and individual training ... 1674
Unit strength ... 1663
United States military investments ... 1454
United States-Soviet investment gap, reducing ... 1406
Unmanned training companies ... 1835

V

Vietnam MIA's ... 1594

W

Waste, no room for ... 1405
Weaponry and hardware ... 1611
Women:
    And minorities ... 1525
    As a percentage of total active duty enlisted end strengths ... 1575
    End strength, enlisted ... 1620
    In Active and Reserve components ... 1728
    In the Army ... 1764
    In the Army Reserve ... 1793, 1794
    In the Navy ... 1629
    Officers ... 1630
    On active duty ... 1497
    On ships ... 1630
    Recruitment of ... 1592
Worldwide role ... 1463